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Before the Committee on Appropriations

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Federal Drug Enforcement and Supply Control Efforts

Fiscal Year 1980

96th CONGRESS, FIRST SESSION

SPECIAL HEARING
DEPARTMENT OF JUSTICE
DEPARTMENT OF THE TREASURY
EXECUTIVE OFFICE OF THE PRESIDENT
GENERAL ACCOUNTING OFFICE

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FEDERAL DRUG ENFORCEMENT AND SUPPLY CONTROL EFFORTS

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

0 COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

SPECIAL HEARING

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FEDERAL DRUG ENFORCEMENT AND SUPPLY CONTROL EFFORTS

THURSDAY, OCTOBER 25, 1979

U.S. SENATE,
SUBCOMMITTEE ON STATE, JUSTICE, COMMERCE,
AND THE JUDICIARY,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:10 a.m., in room 1318, Everett McKinley Dirksen Office Building, Hon. Dennis DeConcini presiding.

Present: Senator DeConcini.

GENERAL ACCOUNTING OFFICE

STATEMENT OF HON. ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:

THOMAS COLAN, GROUP DIRECTOR, GENERAL GOVERNMENT DIVISION

GEORGE GRANT, TEAM DIRECTOR, LOS ANGELES REGIONAL OFFICE

PATRICK GORMLEY, TEAM LEADER, LOS ANGELES REGIONAL OFFICE, GENERAL ACCOUNTING OFFICE

Senator DECONCINI. The Subcommittee on Appropriations for State, Justice, Commerce, and the Judiciary will come to order.

Good morning and we thank you for being here, gentlemen.

We are beginning today a series of oversight hearings on the Federal Government's effort to prevent illegal entry, sale and use of illicit narcotics, and drugs. My personal involvement in the narcotics problems stem from my days as the Pima County attorney. Because of our common border with Mexico, Arizona has become a major point of entry for heroin and marihuana. The easy availability of illicit drugs in my community has had a devastating impact both on the lives of its citizens and on the local economy.

Our problem was so severe we initiated a series of innovative and effective programs including the Quad State project. During my tenure as county attorney we looked to the Federal Government for assistance and cooperation.

To a large degree, my present concern about the quality of the Federal effort stems from these experiences. Quite frankly, not all of them were by any means positive. However, I must insert that some funding was extremely helpful in achieving some of the efforts that we have put forth in the Southwest.

Since coming to the Senate, I have consistently offered and supported legislation designed to increase both the funding and the effectiveness of the Federal effort. It is clear, however, that money alone cannot break down the barrier that still stands between success and failure in the war on drugs.

We have reached the point where current strategies, tactics, programs must be evaluated and if necessary changed, if we are to protect our citizens from this insidious evil.

PURPOSE OF HEARINGS

The purpose of these hearings is to determine if the funds this committee appropriates are being utilized in the most effective manner. When I informed Senator Hollings, the chairman of the subcommittee, and Senator Magnuson, chairman of the full Appropriations Committee, of my concerns, both graciously consented to these hearings.

Senator Magnuson placed at my disposal the committee's investigative staff headed by Mr. Don Gray. I would like to take this opportunity to thank both Senator Hollings and Senator Magnuson and their staffs for their assistance in support of this oversight effort.

I think that it is appropriate that we begin this series of hearings with the release by the General Accounting Office of a report which represents perhaps the most comprehensive evaluation to date of the national drug problem and of the Government's effort to combat it. Our opening witness is the Comptroller General of the United States, Mr. Elmer B. Staats.

Mr. Staats was kind enough to make advance copies of the report available to the subcommittee and we thank you, Mr. Staats. Without trying to upstage his testimony, I would note that it assesses the Federal Government's efforts to curtail the availability of drugs over the last 10 years. It analyzes the progress and problems of the key elements of the Federal drug strategy, including the activities and programs of virtually all agencies having direct, indirect, and supporting responsibilities for domestic drug law enforcement and international control: the Drug Enforcement Administration, Law Enforcement Assistance Administration, Immigration and Naturalization Service, Federal Bureau of Investigation, Department of State, Coast Guard, U.S. Customs Service, and the Internal Revenue Service.

Internationally it focuses on heroin produced in the infamous Golden Triangle, the world's largest opium producers in the Middle East, marihuana and heroin production in Mexico, cocaine and marihuana producing countries in South America.

Domestically it covers the border interdiction efforts at the Southwest and Southeast borders, Federal efforts to immobilize major drug violators, bail and sentencing problems, and the efforts of State and local agencies and problems in Federal, State, and local cooperation.

Undoubtedly the drug problem would be much worse today without the intervention of the governments of the United States and other countries. The title of the report points up the dilemma we face, "Gains Made in Controlling Illegal Drugs: Yet the Drug Trade Flourishes."

On balance, the report paints a rather dismal picture of what $5.5

billion in U.S. effort, $3.4 billion for demand reduction, and $2.1 billion for supply reduction has achieved in relation to the drug problem we are experiencing today.

Let me just summarize. Forty-three million Americans have tried marihuana, 16 million have used it within the last month, 453,000 use heroin on a daily basis in the United States, while 1.7 million people use the drug on a less than daily basis. Nineteen million people in this country have used hashish, nearly 10 million have used cocaine at least once in their lifetime, and 4.9 million people have used PCP at least once.

Most alarming is the fact that drug abuse is spreading from colleges to high schools to junior high schools and below and that it may be decades before it is reduced to a manageable level.

We cannot wait that long. We cannot allow drug producers and traffickers to operate with impunity and allow a $50 billion a year industry for organized crime. We cannot accept for decades the drug related deaths, injuries, broken homes, and ruined lives caused by drugs.

I hope that the report which GAO is releasing here today in the opening of these hearings will mark the beginning of a reassessment of this terrible problem and of our efforts to deal with it and lead to new initiatives for this solution.

In the coming weeks and months we expect to hear from many others in Federal, State, and local agencies and elsewhere, who are involved in trying to deal with this horrendous problem.

At present I salute you and your agency, Mr. Staats, for the initiative you have taken and it is a pleasure to welcome you here today.

If you will come forward now and give your testimony, we are prepared to accept it.

Mr. STAATS. Thank you very much, Mr. Chairman. To my immediate left is Mr. Thomas Colan of our Washington office, Mr. George Grant and Mr. Patrick Gormley of our Los Angeles office to my right here. Mr. Grant and Mr. Gormley have had the primary leadership in this effort and they are on very familiar ground with this matter having visited with the people concerned with this problem.

I would like to congratulate you, Senator Hollings, and Senator Magnuson for holding these hearings on what we believe to be a very important subject. We hope that they will be very profitable from the standpoint of improving the situation that we have found.

Mr. Chairman, I have a longer statement, some 20 pages, which has more detail than the statement that I will be reading. We have abbreviated this in the interest of saving time and conserving as much time as possible for your questions.

Senator DECONCINI. The full statement will be printed in the record at this point.

[The statement follows:]

STATEMENT OF ELMER B. STAATS

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you this morning to discuss our report being issued today on the Federal Government's drug enforcem and supply control efforts during the last 10 years. We appreciate the opportunity to discuss the actions we believe are needed to enab our National to make greater inroads in controlling illegal drugs.

Our report presents an assessment of the extent and nature of drug abuse in the United States, focuses on the Federal drug supply reduction strategy, and identifies a number of long-standing problem hampering the effectiveness of the Government's drug law enforcement and supply reduction efforts. The report contains recommendations f improving efforts under the present Federal strategy and proposes th the executive and legislative branches form a partnership to agree upon and vigorously implement a consistent national policy on drug abuse. The report also points out that the drug abuse problem is to much for the United States to overcome alone and recommends the establishment of a consortium of victim countries to develop a globa plan of action.

The United States drug abuse problem has been a matter of national concern for decades. Federal agencies have fought hard to reduce the adverse impact of illegal drugs on American society. Thes efforts have shown some positive results as measured by decreased drug-related deaths and injuries, and reduced availability of some illegal drugs, particularly heroin. Current indicators suggest that there is a shortage of heroin in the United States, a significant accomplishment against the Nation's number one drug enforcement priority.

Nevertheless, drug trafficking and abuse still flourish despite several decades of U.S. efforts both here and abroad. The gains made are fragile, requiring constant vigilance, as

--source countries move quickly to fill temporary drug shortages,

--trafficking patterns shift, and

--the types of drugs consumed readily change.

For example, the heroin shortage created by the breaking of the French Connection was temporary. Mexico emerged as the next principal supplier of heroin to the United States. Today's concern is that as Mexican heroin availability declines, heroin from Southeast Asia and the Middle East will fill the gap. Some also fear that use of dangerous synthetic drugs such as Talwin and PCP will increase if heroin availability is reduced.

WHY DOES THE PROBLEM PERSIST?

The drug problem persists because of consumer demand and because the tremendous profits, little risk, and the characteristics of the underdeveloped source countries are at work to create a drug supply to meet that demand. Federal efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach to effectively limit the supply.

The huge supply of and demand for drugs has created a multi-billion dollar worldwide business involving millions of Americans. The National Institute on Drug Abuse has estimated that there are:

--1.7 million people who have used heroin, with 453,000 daily users.

--13 million people who have used stimulants such as amphetamines.

--6.9 million people who have used PCP at least once.

--10 million people who have used cocaine.

--43 million people who have tried marijuana at least once.

The marijuana market alone consumes between 60,000 and 91,000 pounds per day, resulting in an outlay of $13 billion to $21 billion per year. Simply speaking, the illicit drug trade is big business.

The enormous profits of drug trafficking attract an ample number of entrepreneurs who see opportunities that far outweigh those offered by legitimate businesses. Payments by abusers and traffickers for heroin, cocaine, marijuana, and hashish in the United States are estimated to be on the order of $35 billion to $51 billion annually, according to the National Narcotics Intelligence Consumers' Committee. Drug trafficking in the U.S. today appeals to people from all walks of life, including doctors, lawyers, accountants, businessmen, and entertainers.

In short, it is easy to enter and distribute drugs in the United States. While nobody knows for sure how much illicit drugs come into the country, it has been estimated that law enforcement agencies seize no more than 5 to 10 percent of all illicit drugs available.

Another reason the problem persists is that the social, economic, and political realities of drug-growing countries make it difficult to prevent cultivation of illicit crops and stop trafficking at the source. Most producing nations are poor, underdeveloped, struggling countries presenting problems that are too complex for a predominantly law enforcement approach to be effective in reducing drug supplies. Suppression efforts have been hindered by long-standing and socially accepted traditions of smuggling and corruption. As seen from several pilot projects, the approach of substituting legitimate crops for drugs requires massive economic development that is both costly and long-term. To date, the other developed countries of the world have been unwilling to fund such high-risk ventures.

And finally, the problem persists because actions needed to fully support Federal drug strategy implementation have just not materialized. Differing views among Government agencies make it difficult to attain the necessary legislative, executive, and judicial actions. While the United States has articulated a strong stance to combat drug abuse in its Federal strategy and policy statements, the implementation has not consistently supported such a stance.

Our report shows that the drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. We found that:

--There is no comprehensive border control plan, and thus Federal agencies at the U.S. border carry out separate but similar lines of effort with little consideration for overall border security. This has diluted border coverage and control and meant that the border has not been a serious impediment to the illegal entry of drugs.

--Legal obstacles, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating their unique skills, jurisdictions, and resources. As a result, the Federal Government has had only limited success in immobilizing high-level traffickers and their organizations through conspiracy and financial investigations.

--Bail and sentencing practices throughout the country have further weakened efforts to immobilize drug traffickers. Many arrested for trafficking continue to traffic in drugs while on bail and awaiting trial, and those eventually convicted are often incarcerated for short periods of time.

--The enormous number of jurisdictions, coupled with financial and political realities, make it virtually impossible to mobilize State and local enforcement resources in a coordinated nationwide attack on drug trafficking.

--The United States, emphasizing short-term measures to reduce drug availability, has not received the degree of international support needed to overcome the long-term nature of the problem (i.e., social, political, and economic conditions in producting countries) nor is it likely that these problems will be overcome within the foreseeable future.

WHAT CAN WE DO ABOUT THE PROBLEM?

To remedy these and other problems discussed in our report, the executive and legislative branches of Government must reach agreement upon and vigorously carry out a consistent national policy for dealing with the drug abuse problem and support the legislation needed for achieving the desired results. The presence of a tough and consistent stance will go a long way in demonstrating within the United States, and to other countries, the strong commitment the United States is making in combatting the drug abuse problem.

Border management problems need to be resolved

The U.S. border provides an important opportunity for interdicting illicit drugs and obtaining intelligence about domestic and internationa drug distribution systems. However, the availability of drugs in the United States attests to the fact that our border has not been a serious impediment to illegal entry. Large amounts of heroin and marijuana have crossed our border with Mexico and, more recently, marijuana and cocaine smuggling into our Southeastern States by air and sea from South America has increased.

Control of the United States borders is a complex and most difficult task that requires a comprehensive, coordinated effort by all segments of the border law enforcement community. The executive branch of the Federal Government has not developed an integrated strategy or a comprehensive border control plan to consider all aspects of the problem and establish clear, measurable objectives indicating what it intends to accomplish with the various law enforcement resources. A plan of this type is critical because of the many agencies with overlapping responsibilities.

The issue of improved border control has been studied and recommendations have been made, but the problems remain unresolved. Over the past few years the Congress, the executive branch, and GAO have issued reports identifying problems among Federal border enforcement agencies and containing suggestions for improving their cooperation and coordination. While some recommendations have been implemented and outward appearances have changed as a result of these efforts, the essential characteristics of the problem remain. Separate agencies with different orientations continue to identify the best means to meet their specific missions, with limited consideration for the activity of the others. This has led to the development of separate but similar lines of effort that continue to dilute border coverage and impact. Little consideration is given to overall border security.

The seriousness of the problems and the ever-expanding segments of the border being used for large-scale smuggling dictate a need for corrective action. We believe that sound management principles call for an integrated Frederal strategy and comprehensive border control plan. In a December 1977 report, we recommended that the Congress require the executive branch to develop such a plan.

We believe the executive branch should provide the Congress, along with its appropriations requests, an overview of law enforcement along the U.S. borders. Included in this overview should be an analysis which brings together the budget requests and law enforcement strategies of the various border law enforcement agencies. Also, we believe the Office of Management and Budget, the Domestic Policy Staff, and the principal border agencies should develop an integrated strategy and comprehensive operational plan for border control.

Vessels on the high seas

In recent years the smuggling of drugs from South America has become a major business in the Southeastern United States, particularly in Florida. Marijuana from Colombia arrives by the tonload, while hundreds of pounds of cocaine flow into the area for distribution across the country.

During a 6-month period ending in June 1978, the U.S. Coast Guard, Customs Service, and the Drug Enforcement Administration reported seizures of more than 477 tons of marijuana and 359 pounds of cocaine. In the same period, the Government of Colombia seized about 610 tons of marijuana. According to the Drug Enforcement Administration, these seizures represent more drugs than were collectively seized by the Federal law enforcement community during the entire previous year.

Along with the drugs, many vessels of all sorts have been confiscated by Federal agencies. From July 1975 through March 1978, 107 vessels were seized in connection with charges of drug smuggling in the Southeastern United States, with over half of them seized in Florida. Seventy of these vessels contained 5,000 pounds or more of marijuana, with 19 of the 70 carrying 25,000 pounds or more of the contraband.

Many enforcement officials in South Florida believe the situation is completely out of control. Federal, State, and local agencies have been overwhelmed by the amount of smuggling activity. Large "mother vessels" with multi-ton loads of marijuana set anchor beyond the 12-mile limit as smaller vessels carry the contraband to shore. To make matters worse, U.S. law generally does not cover the possession of narcotics on the high seas by U.S. citizens or by anyone aboard U.S. vessels. Extending coverage of U.S. law to this area can help. We endorse legislation which would make it illegal for any person on board a vessel subject to U.S. jurisdiction or for any U.S. citizen on board any vessel to illegally possess or transfer on the high seas a controlled substance.

The fact remains, however, that most mother ships are either foreign registered or stateless. Under international treaties, the U.S. Coast Guard has blanket authority to board stateless vessels, but in the case of foreign registered vessels the Coast Guard must undertake the time-consuming process of obtaining permission of the origin country to board, search, and take necessary action. International treaties do not adequately deal with the mother ship problem.

Opportunities to overcome obstacles in immobilizing major traffickers

Federal efforts to reduce drug trafficking by immobilizing major violators have fallen short of expectactions. With much persistence and expense, numerous high-level drug traffickers have been prosecuted and convicted, but this has not had a long-term impact on the availability of drugs in the United States. Incarcerating major traffickers for long periods and seizing their financial resources, the key elements to success, have not been accomplished to a sufficient extent. Even in those cases where high-level traffickers are arrested and given stiff prison sentences, their organizations often continue to operate and maintain their distribution capacity because the assets and financial resources of the organizations remain untouched.

The Federal Government approach relies on a close, complementary relationship and effective interaction among a variety of investigative, interdictive, regulatory, and prosecutive agencies. Each agency is expected to aggressively use its unique skills, jurisdiction, and resources to achieve optimum results. This concerted effort has not, however, materialized. Legal obstacles, lack of direction, and changing priorities have all limited our success in immobilizing major drug traffickers and their organizations. Specifically:

--The Department of Justice has not adequately planned or directed the prosecutive efforts against major traffickers.

--The Drug Enforcement Administration and the law enforcement community in general have moved slowly in effectively using conspiracy laws to immobilize major drug traffickers.

--Policy and legislative mandates have restricted Internal Revenue Service's role in drug enforcement.

--The FBI has not been a significant force in the fight against major traffickers to date.

--Delays have diminished the usefulness of the Bank

Secrecy Act in investigating the enormous profits of drug traffickers.

- --Assistance from other countries in prosecuting international traffickers has been limited.
- --Federal and State control of the diversion of licit drugs at the retail level has been largely nonexistent.

To strengthen the prosecution of drug traffickers and dealers and help to better attack the tremendous financial gains from trafficking, we recommend that the Attorney General:

- --Strengthen the prosecution of major drug traffickers through the increased commitment and continuity of attorney resources.
- --Direct the Administrator of the Drug Enforcement Administration to improve investigative capability against drug traffickers' financial resources by training agents and hiring financial specialists to assist in investigations.
- --Continue to monitor and improve the operation of DEA/FBI task forces, and seek additional means to use the FBI's expertise in investigating the financial aspects of drug trafficking and organized crime.

We also recommend that the Secretary of the Treasury speed the processing and dissemination of Bank Secrecy Act reports so that law enforcement agencies can achieve the maximum benefit of this information.

Finally, in a prior report, we pointed out that implementation of the Tax Reform Act of 1976 caused some tax disclosure problems between the Internal Revenue Service and law enforcement agencies. Though several of these problems illustrate the need for better coordination within the framework of existing law, the Congress needs to consider whether the adverse impacts of the act's disclosure provisions warrant revision of the Internal Revenue Code, and whether any revision can be made without disrupting the balance between criminal law enforcement and individuals' rights.

Changes in bail and sentencing could strengthen immobilization efforts

Bail and sentencing practices in Federal courts throughout the country have diluted the effect of drug enforcement efforts. Many defendants who are released on bail continue their drug trafficking. But Federal law does not allow judges to consider danger to the community as a reason for denying bail in drug cases. Various reports and studies by the executive branch, the Congress, and our Office have concluded that the bail statutes have, therefore, hindered the immobilization of alleged drug traffickers by allowing them to be released with no restrictions before trial.

In our review we saw examples of what can happen after an alleged drug trafficker is released. To illustrate:

--Two men were arrested and charged with manufacturing PCP. While on trial for that charge, the same two were arrested again and charged with conspiring to manufacture PCP. Enough material to make 10 pounds of PCP was seized at the time of the second arrest.

--An individual was arrested on drug charges and released on bail. While free on bail, he was arrested in another State and charged with conspiring to smuggle approximately 58 pounds of cocaine from Bolivia to the United States. The Magistrate ordered the person released on the existing bail posted in the first case.

Even when convicted, drug traffickers are often not effectively immobilized for long periods. Drug sentencing has continually come under attack for failing to immobilize drug traffickers. As stated in the 1975 report to the President from the Domestic Drug Abuse Task Force, indictment and arrest do not guarantee immobilization but merely begin a long process during most of which the alleged trafficker is free to traffic in drugs. At the end of the process, incarceration may be relatively short, thereby weakening the deterrent to drug crimes and reducing the public's trust in the criminal justice system.

Recent court data shows that convicted drug violators are usually not incarcerated for long periods of time. Most defendants received sentences of less than 5 years, with about one-third of the defendants sentenced to 5 years or more. The length of these sentences, however, considerably overstates the actual periods of incarceration since individuals may be eligible for parole after serving one-third of their sentence.

The Office of Drug Abuse Policy concluded in a December 1977 report on drug enforcement policy that the present sentencing system does not appear to provide a strong deterrent for potential drug violators. There have been repeated arrests as well as continued postarrest trafficking. The Office of Drug Abuse Policy also noted that the system does not insure equal justice under the law because sentences for similar offenses are often inequitable, and went on to recommend that the administration consider proposing legislation to establish sentencing guidelines.

Changes in the judicial system should be made by the Congress to improve the bail law and enhance the capacity of the Court system. The Congress should consider modifications to the bail law that take into account both constitutional principles and the means to prevent traffickers from engaging in illegal activities that present a danger to the community. Correcting the sentencing problem is not easy, however; any changes to the criminal justice system must be comprehensive and approached with utmost caution. In this regard, the Congress will be grappling with the bail and sentencing practices of the judicial system as part of its consideration of the Criminal Code Reform bills.

I might also mention that the Congress, in line with our recommendation in a prior report, recently authorized an expansion of the magistrates' jurisdiction to encompass misdemeanor drug cases. We believe the use of this authorization should be encouraged as a means to enhance the capacity of the Federal court system to better deal with drug cases.

Firm and clear policy required for federal, state, and local drug law enforcement roles

The Federal strategy places increased reliance on State and local drug enforcement efforts in order to focus Federal activities against leaders of national and international trafficking networks. Although the Federal Government has developed numerous programs to assist and cooperate with State and local agencies, the enormous number of jurisdictions, coupled with financial problems, makes it virtually impossible to mount a unified attack. Financial resources have not kept pace with drug enforcement needs, and the effectiveness of agencies' activities has been hampered by security risks, differing priorities, and lack of communication.

The irony of Federal drug enforcement, according to the 1976 Federal Strategy For Drug Abuse And Drug Traffic Prevention, is that, while there is more and more dependence on State and local involvement in drug law enforcement, these authorities are allocating fewer and fewer resources to combatting drug abuse.

Our work showed much of the same:

--The Chief Assistant State Attorney for Dade County, Florida, believes law enforcement is both "outmanned and outgunned" to deal with the drug problem. He cited a case that could have resulted in apprehension of many more high-level violators. It was curtailed because the police ran out of money.

--In New York City, a financial crisis resulted in the layoff of 5,000 police officers. According to the chief of New York City Police Department's narcotics division, the cutbacks adversely affected drug enforcement.

--There have been cuts in drug enforcement activity in San Francisco, and, according to the head of the police department's narcotics unit, only 20 officers were working narcotics, down from 60 officers at one time. This occurred despite the fact that drug activity has not decreased in the city.

--The narcotics division of the Phoenix Police Department declined to join a multiagency task force in the city. The unit head stated he could not give up one or more officers to the task force when he is struggling to get more resources to satisfy the division's own responsibilities.

--A 1977 survey of the California Department of Justice showed that 77 percent of the State's local police agencies indicated they do not have adequate equipment for drug enforcement. An assessment by the same department in 1976 concluded that while local agency commitments to drug enforcement had declined, drug abuse increased.

However, no matter how much assistance the Federal Government provides, certain obstacles will continue to block complete mobilization of the estimated 15,000 police agencies throughout the country. These obstacles occur in the form of political, jurisdictional, and other realities that, while not exclusive to drug enforcement, seem more visible there because responsibilities for drug control cut across all three levels of government.

For example, in a populous county in California, we found drug enforcement to be fragmented, duplicative, and inefficient. The county has 24 municipal and county police departments, each engaging in drug law enforcement to some degree. Although a task force was organized in 1970 to coordinate drug enforcement activities, the multitude of jurisdictions resulted in duplicated efforts. Also, jurisdictional jealousies and local politics prevented agencies from combining their resources to mount a county-wide attack on illegal drugs.

In the face of these difficulties, we believe the Attorney

General must establish a clear, realistic policy on what can reasonably be expected from State and local governments and what the Federal Government should do to elicit their support. This policy should include a determination of the role of the Drug Enforcement Administration in cooperating with and assisting State and local drug enforcement efforts. Such a role should provide for such things as training, exchanging intelligence, and furnishing technical equipment, but should discourage Federal invovlement in actions against low-level violators. The policy should take into consideration the adverse effects of financial and political realities that have hindered cooperation among agencies.

The response of the various levels of government to businesses and individuals promoting the use of drugs through the sale of drug-oriented paraphernalia and magazines must also be addressed. In this regard, the Justice Department is developing a model law that interested States and localities could use to ban the manufacture, advertisement or sale of a wide range of drug paraphernalia.

Someone must oversee strategy implementation

The Congress has long recognized the Federal Government's continuing failure to provide a central mechanism to establish drug policy and be accountable for its effective implementation. The Office of Drug Abuse Policy was established to do this, but it was abolished before it had much success. If any improvement is to be made in coordinating Federal drug control efforts, someone is needed who has a clear delegation of authority from the President to monitor activities and demand corrective actions. This responsibility is currently entrusted to the President's Domestic Policy Staff, and it is too early to tell whether this arrangement will ensure the vigorous implementation of the Federal drug strategy.

Drug problem requires worldwide commitment

The United States has been the prime force in efforts to control illicit drug production worldwide, but increased commitment of developed countries is needed if we are to have a greater impact on the problem.

Even with increased international support, it is unlikely that the long-term nature of the problem will be overcome within the foreseeable future. With this reality in mind, we recommend that the Secretary of State promote a world conference and the formation of a consortium of victim countries that would develop a plan of action to fight the global drug problem in a unified way.

To further develop strong drug control within foreign countries, we also recommend that the Secretary of State require the Assistant Secretary for Narcotics Matters to prepare realistic Country Narcotics Action Plans detailing short and long-term objectives, the means of achieving these goals, and the methods for reviewing progress. For drug-producing areas that encompass several countries, action plans should be prepared on a regional basis.

In summary, then, we believe law enforcement, crop eradication, and other controls will have a major role in drug control, and can have an even greater impact if our recommendations are implemented. However, there is no guarantee that the supply and use of drugs will be reduced significantly for a long time. Effective enforcement, eradication, and other controls will cause shifts and temporary disruptions in trafficking and drug use patterns and will buy time to enable the Nation to concentrate on long-term solutions. Also, it is generally acknowledged that the demand for drugs would be even greater were it not for law enforcement and supply control efforts.

One question which remains unanswered is: How does this Nation effectively curtail the demand for illicit drugs? In the Nation's search for long-term solutions to the drug abuse problem, it must continue to give high priority to each vital component of the Federal effort: law enforcement and control, treatment and rehabilitation, education and training, and research.

Mr. Chairman, this concludes my prepared statement. We would be pleased to respond to any questions.

GAO FINDINGS

Mr. STAATS. Our report shows that the drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. We found that:

There is no comprehensive border control plan, and thus, Federal agencies at the U.S. border carry out separate but similar lines of effort with little consideration for overall border security. This has diluted border coverage and control and meant that the border has not been a serious impediment to the illegal entry of drugs.

Legal obstacles, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating their unique skills, jurisdictions, and resources. As a result, the Federal Government has had only limited success in immobilizing high-level traffickers and their organizations through conspiracy and financial investigations.

Bail and sentencing practices throughout the country have further weakened efforts to immobilize drug traffickers. Many arrested for trafficking continue to traffic in drugs while on bail and awaiting trial, and those eventually convicted are often incarcerated for short periods of time.

The enormous number of jurisdictions, coupled with financial and political realities, make it virtually impossible to mobilize State and local enforcement resources in a coordinated nationwide attack on drug trafficking.

The United States, emphasizing short-term measures to reduce drug availability, has not received the degree of international support needed to overcome the long-term nature of the problem—that is, social, political, and economic conditions in producing countries—nor is it likely that these problems will be overcome within the foreseeable future.

To remedy these and other problems discussed in our reports, the executive and legislative branches of the Government must reach agreement upon and vigorously carry out a consistent national policy for dealing with the drug abuse problem and support the legislation needed for achieving the desired results. The presence of a tough and consistent stance will go a long way in demonstrating within the United States, and to other countries, the strong commitment the United States is making in combating the drug abuse problem.

NEED FOR BORDER CONTROL PLAN

The U.S. border provides an important opportunity for interdicting illicit drugs and obtaining intelligence about domestic and international drug distribution systems. However, the availability of drugs in the United States attests to the fact that our border has not been a serious impediment to illegal entry.

Control of the U.S. borders is a complex and most difficult task that requires a comprehensive, coordinated effort by all segments of the border law enforcement community. The executive branch of the Federal Government has not developed an integrated strategy or a comprehensive border control plan to consider all aspects of the problem and establish clear, measurable objectives indicating what it intends to accomplish with the various law enforcement resources. A plan of this type is critical because of the many agencies with overlapping responsibilities.

The issue of improved border control has been studied and recommendations have been made, but the problem remains unresolved. Over the past few years the Congress, the executive branch, and GAO have issued reports identifying problems among Federal border enforcement agencies and containing suggestions for improving their cooperation and coordination. While some recommendations have been implemented and outward appearances have changed as a result of these efforts, the essential characteristics of the problem remain.

Separate agencies with different orientations continue to identify the best means to meet their specific missions, with limited consideration for the activity of the others. This has led to the development of separate but similar lines of effort that continue to dilute border coverage and impact. Little consideration is given to overall border security.

OVERVIEW OF BORDER LAW ENFORCEMENT

We believe the executive branch should provide the Congress, along with its appropriations requests, an overview of law enforcement along the U.S. borders. Included in this overview should be an analysis which brings together the budget requests and law enforcement strategies of the various border law enforcement agencies. Also, we believe the Office of Management and Budget, the Domestic Policy Staff, and the principal border agencies should develop an integrated strategy and comprehensive operational plan for border control.

During the course of our study, Mr. Chairman, we found that there was no place that we could find information on how much money was being spent by each of the agencies dealing with this problem. It is a surprising fact, but it is a fact.

Senator DECONCINI. Along that line, excuse me for interrupting, are you aware if OMB has ever made such a request?

Mr. STAATS. It is my understanding that they have not.

Mr. GORMLEY. That is correct.

Senator DECONCINI. Perhaps we can——

Mr. STAATS. I volunteer the suggestion, sir, that I believe if the Appropriations Committee were to ask, direct the OMB to do this directly, they would have to do it.

Senator DECONCINI. Thank you.

Mr. STAATS. The suggestion has been made before but they have not responded to that suggestion.

SMUGGLING ACTIVITY IN THE SOUTHEAST

In recent years the smuggling of drugs from South America has become a major business in the Southeastern United States, particularly in Florida. Marihuana from Colombia arrives by the tonload, while hundreds of pounds of cocaine flow into the area for distribution across the country.

Many enforcement officials in south Florida believe the situation is completely out of control. Federal, State, and local agencies have been overwhelmed by the amount of smuggling activity. Large "mother vessels" with multiton loads of marihuana set anchor beyond the 12-mile limit and smaller vessels carry the contraband to shore. To make matters worse, U.S. law generally does not cover the possession of narcotics on the high seas by U.S. citizens or by anyone aboard U.S. vessels. We endorse legislation which would extend coverage of U.S. law to this area.

The fact remains, however, that most mother ships are either foreign registered or stateless. Under international treaties, the U.S. Coast Guard has blanket authority to board stateless vessels, but in the case of foreign-registered vessels the Coast Guard must undertake the time-consuming process of obtaining the permission of the origin country to board, search, and take necessary action. International treaties do not adequately deal with the mother ship problem.

IMMOBILIZING MAJOR VIOLATORS

Federal efforts to reduce drug trafficking by immobilizing major violators have fallen short of expectations. Incarcerating major traffickers for long periods and seizing their financial resources, the key elements to success, have not been accomplished to a sufficient extent. Even in those cases where high-level traffickers are arrested and given stiff prison sentences, their organizations often continue to operate and maintain their distribution capacity because the assets and financial resources of the organizations remain untouched.

The Federal Government's approach relies on a close, complementary relationship and effective interaction among a variety of investigative, interdictive, regulatory, and prosecutive agencies. Each agency is expected to aggressively use its unique skills, jurisdiction, and resources to achieve optimum results. This concerted effort has not, however, materialized. Legal obstacles, lack of direction, and changing priorities have all limited our success in immobilizing major drug traffickers and their organizations. Specifically:

The Department of Justice has not adequately planned or directed the prosecutive efforts against major traffickers.

The Drug Enforcement Administration and the law enforcement community in general have moved slowly in effectively using conspiracy laws to immobilize major drug traffickers.

Policy and legislative mandates have restricted the Internal Revenue Service's role in drug enforcement.

The FBI has not been a significant force in the fight against major traffickers to date.

Delays have diminished the usefulness of the Bank Secrecy Act in investigating the enormous profits of drug traffickers.

Assistance from other countries in prosecuting international traffickers has been limited.

Federal and State control of the diversion of licit drugs at the retail level has been largely nonexistent.

RECOMMENDATIONS TO STRENGTHEN PROSECUTION EFFORTS

To strengthen the prosecution of drug traffickers and dealers and to better attack the tremendous financial gains from trafficking, we recommend that the Attorney General:

Strengthen the prosecution of major drug traffickers through the increased commitment and continuity of attorney resources.

Direct the Administrator of the Drug Enforcement Administration to improve investigative capability against drug traffickers' financial resources by training agents and hiring financial specialists to assist in investigations.

Continue to monitor and improve the operation of DEA/FBI task forces, and seek additional means to use the FBI's expertise in investigatng the financial aspects of drug trafficking and organized crime.

We also recommend that the Secretary of the Treasury speed the processing and dissemination of Bank Secrecy Act reports so that law enforcement agencies can achieve the maximum benefit of the information.

Finally, in a prior report, we pointed out that implementation of the Tax Reform Act of 1976 caused some tax disclosure problems between the Internal Revenue Service and law enforcement agencies. We recommended that the Congress needed to consider whether the adverse impacts of the act's disclosure provisions on Federal law enforcement activities warrant revision of the Internal Revenue Code, and whether any revision can be made without disrupting the balance between criminal law enforcement and individual rights.

BAIL AND SENTENCING DISPARITIES

Bail and sentencing practices in Federal courts throughout the country have diluted the effect of drug enforcement efforts. Many defendants who are released on bail continue their drug trafficking. But Federal law does not allow judges to consider danger to the community as a reason for denying bail in drug cases. Various reports and studies by the executive branch, the Congress, and our Office have concluded that the bail statutes have hindered the immobilization of alleged drug traffickers by allowing them to be released with no restrictions before trial.

Even when convicted, drug traffickers are often not effectively immobilized for long periods. Drug sentencing has continually come under attack for failing to immobilize drug traffickers. As stated in a 1975 report to the President from the Domestic Drug Abuse Task Force, indictment and arrest do not guarantee immobilization but merely begin a long process during most of which the alleged trafficker is free to traffic in drugs. At the end of the process, incarceration may be relatively short, thereby weakening the deterrent to drug crimes and reducing the public's trust in the criminal justice system.

Recent court data shows that convicted drug violators are usually not incarcerated for long periods of time. Most defendants received sentences of less than 5 years, with about one-third of the defendants sentenced to 5 years or more. The length of these sentences, however, considerably overstates the actual periods of incarceration since individuals may be eligible for parole after serving one-third of their sentence.

We believe that changes in the judicial system should be made by the Congress. In this regard the Congress will be grappling with the bail and sentencing practices of the judicial system as part of its consideration of the pending Criminal Code reform bills.

I might also mention that the Congress, in line with our recommendation in a prior report, recently authorized an expansion of the magistrates' jurisdiction to encompass misdemeanor drug cases. We believe the use of this authorization should be encouraged as a means to expand the capacity of the Federal court system to better deal with drug cases.

COORDINATION AND ASSISTANCE TO STATES AND LOCALITIES

The Federal strategy places increased reliance on State and local drug enforcement efforts in order to focus Federal activities against leaders of national and international trafficking networks. Although the Federal Government has developed numerous programs to assist and cooperate with State and local agencies, the enormous number of jurisdictions, coupled with financial problems, makes it virtually impossible to mount a unified attack. Financial resources have not kept pace with drug enforcement needs, and the effectiveness of agencies' activities has been hampered by security risks, differing priorities, and lack of communication.

The irony of Federal drug enforcement, according to the 1976 "Federal Strategy for Drug Abuse and Drug Traffic Prevention," is that, while there is more and more dependence on State and local involvement in drug law enforcement, these authorities are allocating fewer and fewer resources to combating drug abuse.

Our work showed much of the same:

The chief assistant State attorney for Dade County, Fla., believes law enforcement is both "outmanned and outgunned" to deal with the drug problem. He cited a case that could have resulted in apprehension of many more high-level violators. It was curtailed because the police ran out of money.

In New York City, a financial crisis resulted in the layoff of 5,000 police officers. According to the chief of the New York City Police Department's Narcotics Division, the cutbacks adversely affected drug enforcement.

There have been cuts in drug enforcement activity in San Francisco, and, according to the head of the police department's narcotics unit, only 20 officers were working narcotics, down from 60 officers at one time. This occurred despite the fact that drug activity has not decreased in the city.

The Narcotics Division of the Phoenix Police Department declined to join a multiagency task force in the city. The unit head stated he could not give up one or more officers to the task force, when he is struggling to get more resources to satisfy the division's own responsibilities.

A 1977 survey of the California Department of Justice showed that 77 percent of the State's local police agencies indicated they do not have adequate equipment for drug enforcement. An assessment by the same department in 1976 concluded that local agency commitments to drug enforcement had declined while drug abuse increased.

However, no matter how much assistance the Federal Government provides, certain obstacles will continue to block complete mobilization of the estimated 15,000 police agencies throughout the country. These obstacles occur in the form of political, jurisdictional, and other realities that, while not exclusive to drug enforcement, seem more visible there because responsibilities for drug control cuts across all three levels of government.

For example, in a populous county in California, we found drug enforcement to be fragmented, duplicative, and inefficient. The county has 24 municipal and county police departments, each engaging in drug law enforcement to some degree. Although a task force was organized in 1970 to coordinate drug enforcement activities, the multitude of jurisdictions has resulted in duplicated efforts.

We believe the Attorney General must establish a clear, realistic policy on what can reasonably be expected from State and local governments and what the Federal Government should do to elicit their support. This policy should include a determination of the role of the Drug Enforcement Administration in cooperating with and assisting State and local drug enforcement efforts. Such a role should provide for such things as training, exchanging intelligence, and furnishing technical equipment, but should discourage Federal involvement in actions against low-level violators. The policy should take into consideration the adverse effects of financial and political realities that have hindered cooperation among the agencies.

The response of the various levels of government to businesses and individuals promoting the use of drugs through the sale of drug-oriented paraphernalia and magazines must also be addressed. In this regard the Justice Department is developing a model law that interested States and localities could use to ban the manufacturing, advertisement, or sale of a wide range of drug paraphernalia.

NEED FOR A CENTRAL DRUG POLICY MECHANISM

The Congress has long recognized the Federal Government's continuing failure to provide a central mechanism to establish drug policy and be accountable for its effective implementation. The Office of Drug Abuse Policy was established to do this, but it was abolished before it had much success. If any improvement is to be made in coordinating Federal drug control efforts, someone is needed who has a clear delegation of authority from the President to monitor activities and demand corrective actions. This responsibility is currently entrusted to the President's Domestic Policy Staff, and it is too early to tell whether this arrangement will insure the vigorous implementation of the Federal drug strategy.

INTERNATIONAL CONTROL

The United States has been the prime force in efforts to control illicit drug production worldwide, but increased commitment of developed countries is needed, if we are to have a greater impact on the problem. Even with increased international support, it is unlikely that the long-term nature of the problem will be overcome within the foreseeable future. With this reality in mind, we recommend that the Secretary of State promote a world conference and the formation of a consortium of victim countries that would develop a plan of action to fight the global drug problem in a unified way.

To further develop strong drug control within foreign countries, we also recommend that the Secretary of State require the Assistant Secretary for Narcotics Matters to prepare realistic country narcotics action plans detailing short- and long-term objectives, the means of achieving these goals, and the methods for reviewing progress. For drug-producing areas that encompass several countries, action plans should be prepared on a regional basis.

In summary, then, we believe law enforcement, crop eradication, and other controls have a major role in drug control, and can have an even greater impact if our recommendations are implemented. However, there is no guarantee that the supply and use of drugs will be reduced significantly for a long time. Effective enforcement, eradication, and other controls will cause shifts and temporary disruptions in trafficking and drug use patterns, and will buy time to enable the Nation to concentrate on long-term solutions.

Mr. Chairman, this concludes my prepared statement. We have prepared, which I would call to your attention, a list of GAO action areas and status of legislative initiatives pending and recently enacted, which I'm not sure whether you have a copy before you.

Senator DECONCINI. I do have a copy of the report.

Mr. STAATS. It may be useful to you. It summarizes many of the points, and gives the status of the congressional action with respect to some of the points we have included in our report.

Senator DECONCINI. That will be a helpful tool for us to work with and without objection we will enter the status of legislative initiatives in the record at this point following your remarks.

[The information follows:]

GAO ACTION AREAS: STATUS OF LEGISLATIVE INITIATIVES—PENDING AND RECENTLY ENACTED

1. Establish a consortium of victim countries to develop a global plan of action to attack the drug problem.

Status: The one notable recent effort along these lines, called the Convention on Psychotropic Substances of 1971, was spearheaded by the United Nations. Although the U.S. Senate has not ratified this treaty, Congress, as an interim step, passed legislation to conform to certain of the treaty's substantive provisions. Psychotropic Substances Act of 1978, Public Law 95-633, 92 Stat. 3768.

2. Extend coverage of controlled substance laws to persons on board U.S. registry vessels on the high seas, and to U.S. citizens on board vessels of foreign registry.

Status: Considered for inclusion in pending Criminal Code Reform legislation, but omitted in light of concern over enactment of comparable measures in non-drug areas by other sovereigns. S. 1722 and S. 1723.

3. Capability of Drug Enforcement Administration (DEA) to proceed against financial resources of traffickers.

Status: Title III of the Psychotropic Substances Act, enacted in 1978, authorizes seizure and forfeiture of trafficking-related liquid assets, commercial paper, personalty, and realty. To defray the costs to the Government of recovering these assets, DEA may use forfeited assets to supplement its appropriations. Forfeiture of assets also is apparently automatic upon conviction for violation of the Racketeer Influenced and Corrupt Organizations (RICO) Statute, 18 U.S.C. 1963, or the Drug Enforcement Administration's continuing criminal enterprise (CCE) statute, 21 U.S.C. 848.

4. Revision of Tax Reform Act's prohibitions on disclosure of taxpayer furnished information.

Status: Considered, but not acted upon by the full House Ways and Means Committee.

5. Modification of Federal Bail law to allow consideration of a drug defendant's "danger to the community" in the decision to grant or deny bail.

Status: Pending Criminal Code Reform legislation proposes retention of present criteria for admitting defendants to bail. The question here is whether defendants charged with noncapital offenses may be denied bail for reasons irrelevant to the likelihood of their appearance at trial. S. 1722 and S. 1723.

6. Expansion of Magistrates' jurisdiction to encompass drug misdemeanors.

Status: Federal Magistrate Act of 1979, Public Law 96-82, 93 Stat. 643, enacted October 10, 1979, authorizes an expansion of Magistrate jurisdiction to include misdemeanors. Unless the defendant in the context of an individual case objects, district courts have the discretion to invoke this authorization to permit the trial of misdemeanor cases by specially designated U.S. Magistrates.

7. Drug offender sentencing disparities.

Status: Pending Criminal Code Reform legislation would impose new requirements for the imposition of sentences of incarceration, and for the administration of such sentences. If enacted, this legislation would accomplish the following in the sentencing area:

A. Create the U.S. Sentencing Commission, which would (1) promulgate sentencing guidelines; and (2) establish minimum and maximum sentencing ranges for offenses of prescribed severity. Sentences that fall outside the guidelines or ranges could be appealed. Some believe sentence appealability will promote uniformity in sentencing.

B. Establish maximum periods of incarceration for Federal offenses, which are generally less than those of present law. However, parole—at least as we know it today—would be eliminated. This may have the net effect of lengthening the actual period of incarceration. S. 1722 and S. 1723.

8. Sale, advertisement, and manufacture of drug paraphernalia.

Status: No pending legislation. First Amendment considerations render outright prior restraint on advertisements constitutionally suspect, particularly if the sale or manufacture of the material advertised is legal.

PROGRESS IN CONTROLLING DRUGS

Senator DECONCINI. We thank you and your staff as the effort that went into putting this report and testimony together has been immense. I am sure you have had to rely on many experts that are involved in your operation. I thank them as well as yourself.

I do have a number of questions. On the basis of the review that you have just given us, do you feel that we are making any net progress in the war on drugs or are shifts in drug habits and traffic patterns outstripping efforts to control the problem?

Mr. STAATS. I believe our response to that would be that the drug traffic as well as drug abuse is still increasing. I think it could also be said that drug abuse would be much more serious without the efforts undertaken by our Government and other governments. It is hard to say what the net impact of all these efforts have been.

But there are some encouraging signs. I have indicated in our statement that the Turkish-French heroin connection was disrupted as a result of actions taken. But then the traffic shifted and Mexico became the next major supplier. Now heroin from Southeast Asia and the Middle East is increasing. It is a very complex problem and I suppose the test here is not whether there has been some improvement, but the question really is whether or not we have done the necessary things to minimize the problem.

I think that is the essential message of our report—greater inroads must be made in controlling illegal drugs.

I would like to ask Mr. Grant, Mr. Gormley, or Mr. Colan to respond to that point if they have something.

Senator DECONCINI. Do you care to respond, gentlemen? If so, feel free to do so.

Mr. GRANT. Senator, I feel, based on our study, we did see some gains that were encouraging and they are noteworthy. The enforcement agencies as well as the State Department and others involved can rightfully take credit for making some inroads.

But when you look at the overall problem and you see the shifting that is occurring in the drug market, we really have to say that the drug rade still flourishes. Even the modest gains we are making are emporary, and not permanent. We still have a long way to go, sir.

Senator DECONCINI. Does the GAO feel that the future holds some promise for reducing the problem to a tolerable level? Maybe first, is here a tolerable level—I realize you may not be prepared to give a yes or no on that, but it seems like the prospects are dim even though ome small strides, as are pointed out in your report, have been made. Do you feel there is promise of reducing this substantially?

Mr. GRANT. We believe it is important first of all to point out what we can really expect from law enforcement. I think there are at times misconceptions that law enforcement will be the cure for the drug buse problem. Law enforcement can buy us time and give us an pportunity to seek long-term solutions. But at this point, we must be much more effective in reducing the availability of illegal drugs to buy he time that our Nation needs to seek out the answers that we do not t this time have.

FUNDING NOT IMMEDIATE PROBLEM

Senator DECONCINI. Can the drug problem be reduced in your pinion simply by increasing the money and other resources devoted to he efforts or do we really need to make fundamental changes?

Mr. STAATS. We have given a good deal of thought to that. While we on't rule out the possibility that some additional money might be eeded, we don't think this is the immediate problem. The immediate roblem—and what we ought to do before we decide to spend more oney—is to better utilize the money being spent.

That brings us back, in part, to the point we discussed a few minutes go. We need to have a better fix on who is spending what money and ow effectively that money is being spent. Ample opportunity exists to hieve better results through improved coordination among the gencies and working out comprehensive plans. We call this an integrated strategy among all these multitudinous agencies that have a part to play here.

Someone needs to—you might say, pull the act together, and then see if you can make a judgment as to whether there is a need for additional money.

Senator DECONCINI. As you indicated, it is almost impossible to find out how much is being spent on border interdiction or undercover activities or anything specific, is that correct?

Mr. STAATS. We don't think that throwing more money at the problem will resolve it.

Senator DECONCINI. Thank you.

Generally, the Federal agencies with primary responsibility for drug supply and control activities have indicated that they feel the GAO report concentrates too much on their failures and gives too little credit for their successes. Do you think there is any validity to this criticism?

Mr. STAATS. It is not the function of GAO at any time on any subject to simply point the finger at people who are making efforts to deal with the problem. What we have to frankly recognize is where we are with respect to that problem. We have to face the situation squarely from the standpoint of whether or not we are being effective in dealing with those problems.

I don't think there is any gain to anybody to just pass roses around to the agencies, because they have made efforts in this field. The real question that Congress has to deal with is whether or not we are making adequate progress in dealing with this problem. We don't think so.

Senator DECONCINI. I notice——

Mr. STAATS. It is not our intent certainly just to point the finger and be critical.

HEROIN

Senator DECONCINI. I notice in your report your reference to the French-Turkish heroin connection.

You indicated that heroin use dropped dramatically during 1972–75 leading the President at that time to say that we have turned the corner, I believe, were the words used then.

I did notice in the report on a number of occasions you pointed out at least the minimal successes or successes at the time, which leads me to believe that you have not just pointed the finger at the failures, but you have also brought out where there has been some success. I think that is important to keep the report in the proper perspective, that it is just not critical, but it is telling facts as they are, where it is good it is good and where it is detrimental it is detrimental.

TRAFFICKER'S PROFITS

Mr. Staats, your report makes note of enormous profits involved in the illicit drug trade. Do traffickers retain these ill-gotten gains? What legal devices are there for recovery through law enforcement, once the legal proceeds are forfeited, what is their disposition? Did you find that out?

Mr. STAATS. Mr. Grant will respond.

Senator DECONCINI. Mr. Grant?

Mr. GRANT. For the most part drug traffickers have retained their ill-gotten gains. Payments by abusers and traffickers for heroin, marihuana and other drugs, as you mentioned, could range up to $50 billion annually. We have seen an estimate of $31 to $51 billion.

Senator DECONCINI. Tax free, too.

Mr. GRANT. That is right. Even though the Congress has provided Federal agencies with a number of legal tools to force the forfeiture of assets gained from illicit transactions, the agencies have moved slowly in their attempts to accomplish this. Our summary that Mr. Staats entered into the record summarizes what the status is regarding some of the legislation for this type of activity and the opportunities to recover financial gains made by traffickers.

One of the areas that has been a plaguing problem is that the FBI and IRS have not really played the role that was envisioned under Reorganization Plan No. 2 of 1973, which created the Drug Enforcement Administration. As a result, we really haven't had the expertise that our Nation would otherwise have had to get at drug traffickers and their ill-gotten gains.

Senator DECONCINI. Does your report—I wasn't able to read all of it—do you make some suggestions in this area?

Mr. GRANT. Yes; we do.

Senator DECONCINI. Can you highlight those for us?

Mr. GORMLEY. What we found in our analysis was that in some cases the Drug Enforcement Administration and others have moved slowly to deal with financial aspects of drug trafficking using the statutes that Congress has provided.

They have had a number of notable successes in individual cases. However, for the most part, the financial gains remain intact and traffickers are able to continue.

We believe that the Federal Government is going to have to take a new tack when it comes to the type of resources used for these investigations. The Drug Enforcement Administration is going to have to place more stress on financial investigation. These investigations require a uniquely trained and talented person in the financial area. The Drug Enforcement Administration does not possess the resources necessary to do this and needs to address this problem.

Predominantly their investigative force is oriented toward investigations that concentrate on the illegal substances and the people in the trafficking organization, and not the money.

The U.S. attorneys throughout the country have also traditionally dealt with the illegal substances in the courtrooms to obtain convictions, rather than the financial gains. We found that many of the controlled substances units of the Department of Justice have not oriented themselves to getting at the profits. We feel that unless the profits are taken away from the traffickers, they will have the basic resources to continue to traffic in drugs and keep themselves out of jail. Further, if they do go to jail with their ill-gotten gains intact, they will be a walking advertisement to the trafficking community that trafficking pays. When they do get out, they will have the resources to begin again and continue their trafficking. Until such time as the Government's actions take the profits out of trafficking and the traffickers leave the arena as a walking advertisement that trafficking does not pay, they will continue. It is a rational choice in their minds.

Senator DeConcini. Did you come to any conclusion as to why, say, the Federal district attorneys, or the DEA fails to spend more of this effort toward the illegally gained profits? Is it, in your opinion, because of the sophistication of making such cases, or is it just that law enforcement is more oriented toward arrests and convictions for the actual misuse, possession, and sale of drugs?

Mr. Gormley. I think it's both. I think it's very difficult to change a pattern of investigative activity that has been reinforced over a number of years.

Senator DeConcini. You don't feel there was a lack of physical ability, manpower, and resources?

Mr. Gormley. No, I think it's the training and capability that they have. And you just can't change overnight an investigator whose orientation is the trafficked commodities rather than following of funds. That is a very unique talent. We have found in our work, both in the opinion of the U.S. attorney, as well as many of the agents in the agency, that they just don't possess that capability. They are moving toward it, but we feel that they are not aggressive enough. We feel that they are going to have to go out and hire the talent to do this type of work and make better use of the Internal Revenue Service and the FBI to supplement the DEA resources. This is not happening except in a small handful of cases.

TAX REFORM AND DISCLOSURE

Senator DeConcini. How legitimate is the complaint—you raise it in your statement, Mr. Staats, about the tax reform act and the disclosure problem. Is that a valid defense for law enforcement agencies to say we can't get into this as successfully as we would like to? Or, could they, not withstanding this problem that you alluded to?

Mr. Grant. It's really too early to tell at this point whether this is a major problem. We have not seen sufficient documented cases that would really substantiate whether the disclosure provisions are a major problem or not at this time.

There is no question that it's perceived as being a major problem by law enforcement agencies. The basic consideration is how best to achieve the delicate balance between individual privacy while at the same time insuring that individuals who are in the illicit field do not continue their activities.

Mr. Staats. There is going to have to be a judgment made here of the tradeoff on privacy as against dealings with very serious social/economic problems.

Senator DeConcini. Do you have an opinion, Mr. Staats, has the pendulum swung too far to protection of the individual rights versus the effective enforcement?

Mr. Staats. That is our opinion, yes.

Senator DeConcini. And you feel that we should take remedial action now or should we continue to monitor this for another period of months before we attempt to move in Congress? Do you have—do you care to give us a suggestion?

Mr. STAATS. Personally, I don't know what monitoring is going to yield that we don't now know with respect to the problem.

CRIMINAL CODE REFORM

Senator DECONCINI. Your testimony also highlighted a number of legal obstacles in the tax area that handicap drug control efforts and you recommended some corrective action. On a general level, how does GAO—how do your recommendations interface with the pending Criminal Code reform legislation that is before the Senate and the House today?

Mr. STAATS. Mr. Gormley will respond.

Mr. GORMLEY. The supplement that we provided to the statement of Mr. Staats will cover the current status of the various pieces of legislation that are before the Congress, both in the bail and sentencing arena——

Senator DECONCINI. And sentencing disparity?

Mr. GORMLEY. And sentencing disparity, right. And what the legislative consideration and occurrences will be in terms of dealing with the problem.

We feel that—it's difficult to have it both ways. For example, as discussed in our response to the previous question on disclosure provisions, it's difficult to strike a balance between individual privacy and law enforcement needs. This is also the case with bail. It's difficult to resolve the issue of granting bail and insuring that an individual does not continue to traffic in drugs while out on bail and therefore poses a danger to the community. Some traffickers continue to sell drugs while on bail to help pay for the legal talent on the existing case they are currently being tried under or going to be tried under.

We have to make some very difficult and hard choices depending upon the goals we care to reach as a country. That gets back to Mr. Staats' statement earlier, the theme of our report. Without this, the next 10 years are going to be a restatement of the last 10 years, in our opinion, based upon the work we have done.

DRUG PARAPHERNALIA

Senator DECONCINI. Under paragraph 7, sentencing disparities—excuse me, under 8, you talk about—you mentioned in your statement—the sale and advertisement and manufacturing of drug paraphernalia. Does your report make any statements of what we are talking in dollar amount in that area of advertisement and manufacturing and sale?

Mr. STAATS. I don't believe we have any statement of that.

Senator DECONCINI. Is it your opinion it's hundreds of millions of dollars, or do you care to make a guesstimate?

Mr. STAATS. Mr. Grant might have a better impression on that point than I would.

Mr. GRANT. I would say it's in that range, Senator. It is becoming bigger and bigger.

Senator DECONCINI. That is my next question.

Mr. GRANT. The drug paraphernalia problem is also moving from the west coast to the east coast. There are more so-called headshops and activities like that. You hear of comic books, and things like plastic throwing disks with holes where kids can place a marihuana cigarette. So there is a great encouragement for youths to use illegal drugs.

Senator DECONCINI. It is safe to say that it's a burgeoning or expanding industry or business?

Mr. GRANT. Yes.

Senator DECONCINI. Is it your opinion that this has a significant impact on creating more use of the illegal drugs?

Mr. STAATS. Oh, yes.

Senator DECONCINI. Do you have any evidence or any information that would lead you to believe that there are illicit organized crime activities involved in the legitimate outlets of these distribution centers?

Mr. STAATS. I don't believe that we have any such evidence.

AID TO STATES AND LOCALITIES

Senator DECONCINI. Since the Federal strategy calls for the DEA to devote its resources to investigate the highest level of national and international drug trafficking, do State and local agencies, Mr. Staats, have sufficient skills and resources to handle the responsibilities for the lower and middle level of trafficking?

Mr. GRANT. The skills and ability of State and local forces vary greatly from place to place, but many governments have experienced financial difficulties in recent years that have impaired their ability to take on additional investigative and enforcement activities. We noted in our study as we went around to large cities, such as New York, San Francisco, and Miami, that there have been resource cutbacks in these areas and Federal funds provided through LEAA have declined substantially.

Aside from the improvements that can and have been made through increased cooperation and more sophisticated investigation techniques, there does not appear to be great interest in increasing the resources at the State and local level and at the Federal level as well.

So, whenever responsibilities are passed on to the State, we must also recognize that there seems to be a reluctance to devote the resources that are necessary to take on such responsibilities.

Senator DECONCINI. Would you care to venture an opinion as to the need for maybe not increased funding, but more direction of fundings to, after seeking out good State and local law enforcement, for granting some Federal assistance to those agencies, do you think that that would assist in this program?

Mr. GRANT. As we mentioned earlier, I don't think that the answer here at this time is putting additional resources into this particular area.

Senator DECONCINI. I am not talking about additional in the sense of more moneys, or total budget, I am talking about reallocation of some of those same LEAA funds to assist local agencies in cooperative efforts.

Mr. GRANT. Well, Senator, I think that at this point what needs to be done is to reassess this whole area and look at it from the standpoint of what kind of policy do we really have out there. We do not really have a firm policy of what the Federal and local are really expected to do. It kind of fluctuates back and forth and the State and locals don't really know what they can count on.

For example, a task force is started and when the Feds pull out the money, the task force is abandoned. So I think the whole question is that we need a reassessment. There may well be a need to reallocate certain funds if we do give the State and locals responsibility.

POLICY FOR STATE AND LOCAL EFFORTS

Senator DECONCINI. Is it safe to say that the Federal Government needs to establish a long-range or a firm policy as to what their involvement is going to be with the local and State law enforcement agencies so that those agencies——

Mr. STAATS. There is no agreement now on how much the Federal Government is expected to do and how much State and local government is expected to do. Until you can get that understanding it's hard to reallocate resources.

Senator DECONCINI. Did you find in your study, Mr. Staats or Mr. Grant, that local law enforcement agencies would have participation for a period of time and then cut off instantly or not have proper answers as to why they're losing funding or the Federal agents that are tasked? Did you come across that?

Mr. GRANT. Yes, we did. We found there were task forces established which seemed to be operating reasonably well and others that may have had some problems that needed to be worked out. Some of these task forces were abandoned and this was not picked up by the State and locals.

Senator DECONCINI. Do you have any contact with what is known as the Quad State effort, the States of Arizona, New Mexico, Utah, and Nevada?

Mr. GRANT. We did do work in Arizona.

Senator DECONCINI. You did?

Mr. GRANT. Yes.

Senator DECONCINI. With the drug strike force there in Tucson?

Mr. GRANT. Yes.

Senator DECONCINI. Do you recall, did you find cooperative effort there among the Federal agencies as well as the State agency, or do you recall it?

Mr. GRANT. There were some reported problems in cooperation. The problem seemed to be one of personality in terms of working together to accomplish the mission of the strike force. In the State, as you are well aware, sir, there are some problems in terms of dual agencies' activities for drug enforcement

Senator DECONCINI. In the State?

Mr. GRANT. In enforcement activity, yes. And this has created some problems that are being worked on.

Senator DECONCINI. That is more in the State area?

Mr. GRANT. Yes.

Senator DECONCINI. Of competition between the Department of Public Safety and the drug strike force?

Mr. GRANT. Yes.

Senator DECONCINI. Did you find in your visit to Arizona and the particular strike force, did you find a number of Federal-attached agents, or did you spend that much time to notice?

Mr. GRANT. We didn't get into that kind of depth to provide current information.

EL PASO INTELLIGENCE CENTER (EPIC)

Senator DECONCINI. Thank you. What kind of assistance in addition to State and local task force does the Drug Enforcement Administration provide to the State and local law enforcement groups?

Mr. GRANT. Mr. Gormley?

Mr. GORMLEY. In addition to the task forces, which would make up an effort between the Federal agent and the county or State agent, we found that the major portion of DEA assistance efforts is focused on training State and local police officers in the specifics of drug enforcement and investigations. This is accomplished through courses, seminars, and publications. DEA also cooperates with State and local agencies in gathering and disseminating drug-related intelligence.

As time goes by, one of the more accepted vehicles for exchanging intelligence is the El Paso Intelligence Center (EPIC). When we began our work several years ago on border law enforcement, EPIC was very contested and there was a strong disagreement among Federal agencies as to its value. That is, Treasury's Customs Service, Justice's Drug Enforcement Administration, and some of the other Federal agencies did not see eye to eye on the worthwhileness of EPIC. Over time, as EPIC has expanded and shown what can be done, the Federal community has joined efforts and EPIC is becoming an intelligence center for the border law enforcement community. The most recent information we have is that a fair number of States are also participating with EPIC in terms of intelligence exchange.

In addition, both Arizona and California, two of the States we visited, are either developing or have on board their own intelligence networks which interface with EPIC. Certainly if Federal, State, and local law enforcement agencies are going to deal with the drug problem, they will need the intelligence support. Law enforcement agencies need intelligence from the local communities, the border and the international arena.

One thing I might add is that the Federal Government does assist the State and locals with laboratory assistance and analysis in terms of drug cases. And it provides insights as to the source of the narcotics that do enter the communities

Senator DECONCINI. Do all Federal agencies participate in the EPIC, do you know?

Mr. GORMLEY. The agencies primarily responsible for border control—the Immigration and Naturalization Service and the Customs Service—as well as the agency responsible for drug investigations—the Drug Enforcement Administration—heavily participate in EPIC. In addition, the FAA and ATF participate.

Other Federal agencies such as the FBI do interface with EPIC on a periodic basis. I do believe that the FBI has a resident agent in EPIC.

EPIC INFORMATION TO STATES

Senator DECONCINI. Maybe you can tell me this, when I was in law enforcement, that was a few years ago, we had a lot of problems with EPIC getting back intelligence information. This was a local State agency. They were extremely cooperative in receiving the intelligence, but it was very difficult to get it back. I wondered if you had any comments on the quality or did you take any statements or talk to people that use EPIC that are non-Federal agencies, as to the quality of that intelligence?

Mr. GORMLEY. When we did our work along the southwest border that resulted in a GAO report issued in December 1977, we found a high degree of dissatisfaction with EPIC.

Senator DECONCINI. How long ago was that?

Mr. GORMLEY. That would be in 1977. We finished the work in 1977, the report was issued in December 1977. We understand, as a result of a more recent visit to EPIC, that the situation has improved and a number of States have signed memorandums of understanding with EPIC as to what EPIC will be able to provide and what they will provide to EPIC.

We have not done the work to determine the satisfaction or dissatisfaction of those States that have agreements with EPIC in this area. I certainly think that this would be a valuable and necessary thing to find out as your committee proceeds with hearings.

Senator DECONCINI. What kind of a project would that be, Mr. Staats, to try to give us any kind of an evaluation on the quality of the intelligence—I don't mean the specifications, but whether or not members of EPIC really get the full resources available to them?

I have heard that among law enforcement officials, both in California, New Mexico, Arizona, and even in Texas and Tennessee, that there may be a paranoia, that there is a fear on the part of local law enforcement entities, that EPIC doesn't provide everything it could, because they are holding back for a Federal agency.

Mr. STAATS. You are thinking about a cooperative effort here.

Senator DECONCINI. Yes.

Mr. STAATS. We would certainly be happy to take a look at it.

Senator DECONCINI. Will you have the capacity to go in and make contact with numerous law enforcement agencies and get an assessment of that at the State level?

Mr. STAATS. Yes.

Senator DECONCINI. We would be glad to hear from you on that effort then.

Mr. STAATS. I understand there are about 30 States involved and we can take a sample of them.

Senator DECONCINI. Just a sample of them, that is all. Maybe things have greatly improved. I hope they have. I have been to EPIC and I know some of the capacity they have there, and I know some of the intelligence that has been deposited with them. That intelligence is no good if it's on computers and can't be disseminated to the agents instantly.

Overall, can you give us a view as to the extent or the lack of cooperation between Federal agencies and the State and local law enforcement involving the drug enforcement area? What is your overall opinion of that?

Mr. STAATS. I would like to get my colleagues to express their views about that.

Mr. GRANT. It varies among groups. We still, I believe, have to get back to the fact that there needs to be some central direction to assure that, first, we have the type of policy that makes sense; and two, that in turn it is carried out. But at this time, we saw a mix among the places that we visited in terms of cooperation. On an agent-to-agent basis, many times it was very good. Conversely, you have had problems at higher management levels. There were also instances of extremely good cooperation across the board of all those who were participating.

STATUS OF DRUG SITUATION ON MEXICAN BORDER

Senator DECONCINI. You mentioned in your report that there is a need for integrated strategy among Federal agencies for the border program. Would you envision that the capabilities of the State and local law enforcement agencies be an integral part of the Federal border strategy?

Mr. STAATS. That would be absolutely essential as we see it. After all, they are there and they are impacted by the drug traffic. We think that they have to be a part of that integrated plan.

Senator DECONCINI. Is it fair to say that they also have a reservoir of intelligence and contacts along the border that ought to be considered?

Mr. STAATS. That is right.

Senator DECONCINI. Considered as part of this strategy?

Mr. STAATS. That is right.

Senator DECONCINI. Did you find any reluctance in your interviews from the States on being part of a Federal strategy for border enforcement?

Mr. GRANT. We didn't specifically address that question, but based on our discussions, they seemed to be receptive to any type of involvement that would help the problem.

Senator DECONCINI. We have received reports that the quantity of illegal drugs smuggled into the United States through Mexican border has significantly decreased. Would your study substantiate that?

Mr. STAATS. That is my understanding, also, from work we have done. Specifically, the quantity of marihuana seized along the border is down drastically. Heroin seizures are also down. But we don't have adequate intelligence still as to how heroin enters the United States from Mexico. We don't have very good intelligence on that point.

Senator DECONCINI. Mr. Staats, has anybody on your staff developed the area of paraquat and what effect that will have on our eradication program in Mexico?

Mr. GRANT. No, we did not look into that issue.

Senator DECONCINI. Has there been an increase in illicit drugs crossing the U.S. border along other segments of the border besides Mexico?

Mr. STAATS. Yes, there has been a great deal.

Senator DECONCINI. Is it as serious as some indications have been brought to the members of this committee of the amount of drugs being flown in and coming by sea?

Mr. STAATS. I indicated in my prepared statement the marihuana coming in from Colombia in large quantities, we use the term coming in by the ton load.

Senator DECONCINI. You mean the actual quantity on the boat is 1 ton or more?

Mr. STAATS. That is correct. Information I have here indicates that during a 6-month period ending in June 1978, the Coast Guard, Customs and the Drug Enforcement Agency reported seizures of more than 477 tons of marihuana, 359 pounds of cocaine. Along with drugs, large numbers of vessels of all sorts have been confiscated by Federal agencies. From July 1975 to March 1978, 107 vessels were seized with charges of drug smuggling into the Southeastern parts of the United States.

That gives you some quantity of information that we have developed in this report.

DECRIMINALIZATION OF MARIHUANA

Senator DECONCINI. Do you have an opinion—if you don't care to get into it, I understand it—about the decriminalization of marihuana?

Mr. STAATS. I know that that is an active issue. I don't believe I have studied the matter enough to have an informed opinion about that. I think to some degree it's a medical judgment as well as a law enforcement type judgment.

My colleagues are free to comment if they would.

Senator DECONCINI. Does anybody care to make a comment if it's an opinion, I'm just seeking out some information for myself because we are going to take that subject up in the criminal code that we are in the process of dealing with in the Judiciary Committee.

Mr. GORMLEY. When you speak of decriminalization, what comes to mind are the number of States that have made possession of small amounts of marihuana a civil rather than criminal violation. In reality, much the same is occurring at our borders. Federal law makes possession of marihuana a very serious misdemeanor or a felony. At the border the Federal Government has primary jurisdiction. If an individual possessing marihuana is picked up at the border, we have a choice in the matter. Do we, in fact, carry out the legislative mandate of the statute or do we find another vehicle?

The previous work we did along the Southwest border showed that, in reality, most individuals apprehended while smuggling small quantities of marihuana into the United States for personal use are not prosecuted. They are usually detected at the ports of entry and usually do not meet the U.S. attorneys' criteria for prosecution. In the majority of these cases the person apprehended paid fines in lieu of forfeiting automobiles. Pedestrians, if not prosecuted, are released without penalty.

The U.S. attorneys, due to an excessive case load, are more interested in the commercial smuggler of the drugs or smuggler of aliens. U.S. attorneys' have issued guidelines to the Drug Enforcement Administration wherein they blanketly decline to prosecute violators caught bringing in user quantities of marihuana.

So decisions are made at the port of entry and never even reach the U.S. attorney for consideration unless it met his thresholds, which vary considerably. When it comes down to the border strategy, this is a definite issue that has to be dealt with, because the Federal resources are after the major traffickers. In some locations along the border the locals would accept some small time drug smuggling cases and run them through their criminal justice system. But with reductions in LEAA funding, the local jurisdictions have declined to handle the cases not being handled by the Federal criminal justice system.

One of the basic reasons behind our recommending that the jurisdiction of the magistrates be expanded to encompass drug misdemeanors was to provide a viable alternative when a violation requires something more than an administrative penalty but does not warrant felony prosecution. The Federal Magistrate Act of 1979, Public Law 96-82, enacted October 10, 1979, provides magistrates with the ability to consider drug misdemeanors in his courtroom.

Senator DeConcini. Do you think decriminalization would increase the flow, do you have just an opinion on that?

Mr. Gormley. I would think that it would. Decriminalization would make it more acceptable in the minds of individuals in our society to experiment with and use marihuana. As a result of an expanding user population, I would suspect that there would be an increase in consumption and demand, depending upon what is available.

Senator DeConcini. It's a real struggle that I think Congress, the lawmaking body, has to face, whether you want to get away from severe penalties for small use. Because for whatever reasons, social reasons or because you want law enforcement to spend more time on big operators, you cause a greater problem at the border with more coming in and trying to stop it, versus the legal action where you tax it and distribute it.

Thank you.

REGIONAL SHIFTS IN DRUG TRAFFIC

The Federal strategy that you aptly pointed out as lacking, do you think that strategy has to include the ability to respond to regional shifts to curtail imported marihuana and heroin?

Mr. Staats. One of the points we make in our report in connection with the definition of the role of the Federal Government as compared to State and local government, is that the Federal Government can play a particularly important role with respect to regional shifts, because these shifts involve the international community to a greater extent and also involve a number of States that may be affected rather than perhaps a single State or series of border States.

But the answer is strictly in the affirmative. Right.

Senator DeConcini. Do you think our Federal law enforcement people have that ability as part of their strategy?

Mr. STAATS. Part of what we would consider an overall plan, approach or strategy.

Senator DECONCINI. Which means it's lacking today?

Mr. STAATS. Right.

ORGANIZED CRIME INVOLVEMENT

Senator DECONCINI. Let me ask you a couple other questions. To what extent did your investigation delve into the traditional organized crime involvement, such as the LCN, and identifiable organized crime entities being involved in the drug trafficing?

Mr. GRANT. This particular study did not delve into that other than the fact that there were some identified organizations. They were organized from the standpoint of moving drugs and they were identified as groups with names—a famous one is the Herrera family.

Senator DECONCINI. That is in Los Angeles?

Mr. GRANT. In Mexico, law enforcement has had some success in dealing with that particular family. But we did not get into a study of traditional organized crime involvement per se.

Senator DECONCINI. Has the GAO done anything along that line in the past—any investigation as to organized crime involvement in drug trafficking?

Mr. GRANT. No, we have not.

Senator DECONCINI. In the course of this study, coming across the Herrera family, my recollection is that they deal in southeastern California, up in the Los Angeles area. Did you come across anything known as the Israeli Mafia?

Mr. GRANT. No.

CONGRESSIONAL ROLE

Senator DECONCINI. Do you, Mr. Staats, do you feel that Congress has shown adequate leadership in moving toward a national policy in this area?

Mr. STAATS. It seems to me that the inevitable conclusion one would reach from our total report would be that the Congress has not come to grips with the problem. I think the fact that the executive branch has not come to grips with it particularly may reflect the fact that they don't feel that the Congress is giving it that kind of priority.

Senator DECONCINI. Would you care to give an opinion that one of the best things that Congress could do—I know one of your recommendations here is that we need a Presidential mandate, an office to zero in on this. Would that be one of the top priorities that you think Congress ought to consider very soon?

Mr. STAATS. Ideally it would be good for the President to take that kind of action, but my own view of this kind of issue always is that if Congress has a statute, if the Congress is a party, in effect, to the action, to set up better coordinating machinery in the executive branch it's more likely to be successful than if it's purely action on the part of the executive branch. We were disappointed when the Office of Drug Abuse Policy (ODAP) was allowed to go out of business. ODAP was set up to deal with this situation.

There are just too many agencies involved in the picture to assume that somehow they are going to get together and work out the common problems. It's just not going to happen.

Senator DeConcini. Do you think Congress could take more decisive steps in legislating such an office that would have the mandate and authority to do some of these things that you suggest?

Mr. Staats. Yes, I believe so.

Senator DeConcini. In summary would you say the major conclusion to be drawn from the GAO study is that someone in the Federal Government must be given clear authority to develop an integrated strategy to deal with the problem and to "knock heads," if necessary, to see that that strategy, once it's decided upon, is carried out effectively? Is that a fair summary?

Mr. Staats. That is a fair summary. I don't think you can read this report without coming to that conclusion.

Senator DeConcini. That is what I thought. I didn't read it cover to cover, but that is what I got from your testimony and in the reading I did last evening.

Do you see any evidence that anyone in the executive branch of the Federal Government is moving in that direction?

Mr. Staats. Do you want to take it?

Mr. Grant. We see some attempts at that.

Senator DeConcini. You do?

Mr. Grant. Yes, we have seen attempts to bring the agencies together on a cooperative basis. But this just hasn't worked very well. They have had meetings of principle agency heads, and it certainly helps. But you need to have somebody that is accountable and one you can look to to see what is being carried out. They should be charged with coming up with the plan and have the authority to implement such plan.

Senator DeConcini. You answered my next question, Mr. Staats, and that is if such action is not immediately forthcoming, should Congress move in that direction, to create it? I think your answer is yes.

Mr. Staats. Yes.

Senator DeConcini. That some action should be taken.

Mr. Staats. Yes.

Senator DeConcini. Do you think it's proper, from your dealing with the agencies, for the appropriations process, to use it as a leverage for such action?

Mr. Staats. I think the Appropriations Committee has a great deal of leverage in this area because of the amount of money involved, if for no other reason. In particular, I would hope that the committee could mandate the executive branch for coming up with an integrated budget for the agencies. I don't see how they can do that without moving at least to more strategy as to who will do what and when and how. That is the way the money is budgeted, the way the money flows.

I would think that that could be very helpful.

Senator DeConcini. Well, Mr. Staats, I greatly appreciate your time and efforts. I know many, many hours have been put into this study and I also am aware of many other projects that you have going. Are you available, can you continue to assist us in not only testifying, but mainly giving us information that you may have from other reports, and work with us in that process?

Mr. STAATS. We would be very pleased to do so.

Senator DECONCINI. Your report is one of the better reports I have seen. I want to compliment you for it. Do you have any objections to the committee using this, either printing it or using it for whatever purpose we may find advantageous?

Mr. STAATS. No problem at all. In fact, our hope has been that you might handle this as a committee print, because it's always easier to read and easier to handle, easier to distribute, than it is in this more bulky form that we have to produce our reports in.

Senator DECONCINI. I am just advised by Warren Kane that it's already been sent by the Chairman, Senator Hollings to Chairman Magnuson and will be printed. I think it will be very, very helpful.

The subcommittee expects to announce shortly a series of follow-up hearings both here in Washington and in the field on the excellent testimony that we have received today, which provides us with the basis for some of those hearings. It's obvious that focus has to be established and our other subcommittees will be working with us in a comprehensive investigation.

We want to thank you, Mr. Staats, and members of your staff and office that are here today for their expert work and the many people back in your office that I know had to help you pull this together.

SUBCOMMITTEE RECESS

The subcommittee will recess, subject to the call of the Chair.

Thank you.

Mr. STAATS. Thank you.

[Whereupon, at 11:30 a.m, Thursday, October 25, the subcommittee was recessed, subject to the call of the Chair.]

OVERSIGHT HEARINGS ON THE GENERAL ACCOUNTING OFFICE REPORT ON FEDERAL DRUG CONTROL EFFORTS

FRIDAY, NOVEMBER 16, 1979

U.S. SENATE,
SUBCOMMITTEE ON STATE, JUSTICE, COMMERCE,
AND THE JUDICIARY,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:04 a.m., in room 1318, Everett McKinley Dirksen Office Building, Hon. Dennis DeConcini presiding.

Present: Senator DeConcini.

EXECUTIVE OFFICE OF THE PRESIDENT

DOMESTIC POLICY STAFF

OPENING REMARKS

STATEMENT OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR FOR DRUG POLICY

ACCOMPANIED BY:

- ALEXANDER WILLIAMS, CHIEF, NARCOTICS AND DANGEROUS DRUGS SECTION, CRIMINAL DIVISION, DEPARTMENT OF JUSTICE
- PETER BENSINGER, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Senator DECONCINI. The Subcommittee on Appropriations for State, Justice, Commerce and the Judiciary will open its session today.

Good morning to everyone.

This is a continuing oversight hearing on the Federal Government's efforts to prevent the illegal entry, sale and use of illicit narcotics and drugs.

The subcommittee started hearings in this area on October 25 with testimony from the Comptroller General of the United States concurrent with the release of the General Accounting Office Report—"Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes." This report represents perhaps the most comprehensive evaluation to date of the national drug problem and the Government's effort to combat it. It painted a rather dismal picture of the results of the Government's efforts to combat the drug problem.

During this period, over the past 10 years, the Federal Government has attacked the drug problem from almost every imaginable angle. Several reorganizations have taken place, both in the White House and in the agencies responsible for international and domestic suppression efforts.

Drug enforcement agents were placed overseas to help improve the enforcement response of their Governments. Radical measures were used such as the aerial eradication of opium and marihuana. Attempts were made to replace illegal drug crops which would generate comparable cash returns for the growers. Border operations have supposedly been beefed up, State and local enforcement agencies were asked to focus on the problem, and we attempted to secure greater international support in this effort.

When the removal of street-level traffickers did not have the desired impact on drug abuse, different and more complex approaches were introduced to immobilize traffickers, who are responsible for the distribution of large amounts of drugs.

There was new legislation, and new investigative techniques oriented toward conspiracy prosecutions and investigations were developed which called for the cooperation and expertise of the Federal Bureau of Investigation and the Internal Revenue Service.

However, the recent GAO report indicates that after 10 years and the expenditure of billions of dollars, the Federal Government has made little real progress in its fight against drug abuse.

In effect, the GAO report indicates that the drug problem may never be totally solvable, and that the current efforts are not likely to even bring it within tolerable limits.

According to the GAO report, the single most important problem is that no one in the Federal Government has a clear mandate or is exercising sufficient leadership to develop an integrated national strategy to deal with the drug problem and to insure effective implementation of such a strategy.

As a result, regardless of what the Federal Government has done, drug abuse and the drug trade still seems to flourish.

At the time of our original hearing on this subject, I indicated that at subsequent hearings, we would give the agencies involved a chance to respond to the GAO report and to answer questions. This morning we are holding the first such hearings.

Our witnesses will be Mr. Lee I. Dogoloff, Associate Director for Drug Policy, of the White House Domestic Policy Staff; Mr. Alexander Williams, Chief Narcotics and Dangerous Drugs Section, Criminal Division, Department of Justice; and Mr. Peter Bensinger, Administrator of the Drug Enforcement Administration.

Let me assure the witnesses that the purpose of these hearings is not to heap criticism on the agency or the Administration. It is fine work that you gentlemen are trying to do. I am aware, having discussed the problem with two of the witnesses today at some length that there is, indeed, the awareness that the problem is there and that there is a concerted effort on the part of the administrators and governmental agencies to do a better job.

What concerns this Senator and this subcommittee is that the GAO report leads me to the conclusion that we are not achieving what we had hoped to achieve and there may be some need for a more coordinated and concerted effort.

Our first witness this morning will be Mr. Dogoloff. If you would please come forward. Let me thank you and the White House for visiting with me the other day, Mr. Dogoloff, and your willingness to assist us from the legislative point of view about what can be done to make this effort more effective and to realistically approach it from the standpoint of improvement.

PREPARED STATEMENT

If you will please proceed. If you have a formal statement, we will be glad to put it in the record in total, if you like, and you may summarize it.

[The statement follows:]

STATEMENT OF LEE I. DOGOLOFF

Mr. Chairman and members of the committee, it is a pleasure to be here today to discuss the Federal drug program; the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention; and the role of my office in providing Executive Office coordination and oversight.

I would like to first focus on the current Executive Office mechanism for coordinating all Federal drug Abuse programs; durg law enforcement; international narcotics control; and drug abuse prevention and treatment programs.

Federal Oversight and Coordination

As the GAO report indicates, the previous office of Drug Abuse Policy was abolished through reorganization at the end of March 1978. At that time, I was the Deputy Director of ODAP and I, along with five members of the ODAP staff, became the drug policy unit within the White House Domestic Policy Staff, headed by Mr. Stuart Eizenstat. With strong Congressional support, we have pursued a significant number of activities which I believe have had a positive impact on the overall Federal drug abuse program and have contributed to reducing the drug abuse problem in our country.

The history of White House involvement in coordinating the Federal drug program began in the early 1960's with the Prettyman Commission. Since that time, we have seen the responsibility for overall coordination evolve through a Domestic Council Drug Office, and OMB Federal Drug Management Office, and an Office of Drug Abuse Policy. During the mid-1970's, the coordination of the health related activities evolved from a Special Action Office for Drug Abuse Prevention in the Executive Office of the President to the current National Institute on Drug Abuse in HEW. On May 9, 1979, the President signed Executive Order 12133 which designated the Associate Director for Drug Policy within the Domestic Policy Staff as the individual "primarily responsible for assisting the President in formulating policy for, and in coordinating and overseeing, international as well as domestic drug abuse functions by all Executive Agencies." This Executive Order provides specific authority for my coordination, policy formulation and oversight responsibilities.

The problems of drug abuse in America and around the world are both fluid and complex. A broad spectrum of issues and priorities, including domestic and international health, social, medical, criminal justice, and economic considerations, must be weighed in perspective with other national policies and goals. Active Executive Office oversight has proven the most efficient way to maintain this perspective and to assure consistent policy formulation and interdepartmental coordination.

We agree with the GAO's observation that "there is a continuing need for high-level policy and program oversight" and I believe that our office provides this in an effective manner. I am pleased to say clear policy has been established in the drug abuse area, and just as important, most individuals within the Government know about it and are conducting their programs in accordance with its directives. The coordination among the Executive Branch agencies is better today than it has ever been in recent history. The Federal drug abuse programs enjoy strong leadership. The problems which arise are, for the most part, situational rather than endemic. As conflicts surface they are addressed quickly, directly, and I believe successfully, through mechanisms such as my office which has been established for that specific purpose.

Meeting of the Principals

Once a month I hold a meeting with the heads of the agencies responsible for the operational aspects of our drug abuse prevention and control programs. In between these meetings we have also scheduled an hour long conference call involving all these individuals to ensure that we have the opportunity to discuss policy, issues, and problems of mutual concern at least as often as every two weeks. This on-going policy coordination activity, which has come to be known as the "Meeting of the Principals," involves the Assistant Secretary of State for International Narcotics Matters, the Director of the National Institute on Drug Abuse, the Administrator of the Drug Enforcement Administration, the Commissioner of the U.S. Customs Service, the Special Assistant to the Secretary of HEW, the Assistant Attorney General of the Criminal Division of the Justice Department, the Commandant of the U.S. Coast Guard, and myself, the Associate Director for Drug Policy on the White House Domestic Policy Staff. These meetings not only provide an opportunity to share operational issues of mutual concern but serve as a means of developing policy via consensus rather than by fiat. I rely heavily on the principals not only for their expertise and sound judgment, but also for their understanding of the capabilities of their departments or agencies which will be ultimately responsible for the implementation of the strategy. I believe that this form of policy development through consensus not only assures a proper response to the drug problem, but also one that can be realistically achieved. Although development of policy via consensus is preferred, I am not at all hesitant to mediate policy disputes should they occur between Executive Departments and make decisions in accordance with the mandate of Executive Order 12133. The "Principals' Group" concept is extremely successful, particularly in the drug abuse field which has been historically fraught with jurisdictional conflict and with what often appeared to be dramatically opposed objectives.

Upon the initiative of my office, the Principals Group has become involved in a number of activities which have evolved from the Federal Strategy. We have:

a) Defined the role of the group, assessed resources and priorities and confronted some of the more difficult problems in the drug abuse field.

b) Decided to move towards strengthening our international efforts in view of the group's unanimous opinion that the most effective way to reduce the availability of drugs in the

U.S. is to concentrate on the elimination of drugs at their source.

c) Taken steps to clarify the Federal Government's marihuana policy, both from a domestic health perspective and an international enforcement one.

d) Examined alternative methods of crop destruction and supported additional research and development in this area so that crop destruction programs can be initiated by the governments of the source countries.

e) Developed statements of five-year goals and objectives for each of the agencies or departments represented within the Principals' Group which will form the basis of a National Five-year Plan.

f) Given concerted support to the enactment of specific bills which would significantly enhance the drug abuse control effort; e.g., the trafficking on the high seas legislation sponsored by Congressman Biaggi which would close the existing loophole regarding trafficking on the high seas. We strongly urge and will support similar legislation in the Senate.

g) Examined the issue of steps which might be taken to prohibit the manufacture and sale of drug paraphernalia throughout the country and directed the Department of Justice to draft a model drug paraphernalia statute. We have made this model act available to state and local legislative bodies as they consider this problem. Though the above list is not all inclusive, it does represent the kinds of issues upon which the Principals' Group has focused.

Strategy Council on Drug Abuse

In addition to the Domestic Policy Staff and the Principals' Group, the Strategy Council on Drug Abuse provides another coordinating forum for the Executive Branch. The Council, consisting of seven Cabinet Officers and six private sector members, is responsible for the development of a Federal Strategy in accordance with P.L. 92-255. The Council submitted the 1979 Federal Strategy to the President on April 2nd.

The first annual meeting of the entire Strategy Council was held on November 7, 1977, the second on November 16, 1978, and the third on May 30, 1979. An additional meeting was held in December 1978 with the public members of the Council and certain representatives from the Federal agencies and departments to increase the participation of the public members in the formulation of Federal drug policy.

Following the presentation of the 1979 Federal Strategy to the President on April 2nd, the public members of the Council and I briefed a representative group of law enforcement and health officials throughout the country to ensure a wide dissemination of the Administration's policies. Additionally, we sent a copy of the 1979 Federal Strategy to all members of Congress, all Governors, 800 large city mayors, a select number of county officials, all U.S. embassy narcotics coordinators, and those on the NIDA and DEA mailing lists. The Strategy has also been sent to selected state legislators throughout the country. The Strategy represents a comprehensive approach to the Nation's drug abuse problem and will serve as the foundation from which the Federal Government can proceed toward reducing the serious effects of drug abuse in this country.

These three coordination mechanisms - my office within the Domestic Policy Staff, the Strategy Council, and the Principals' Group have ensured over the past year that the Federal drug policies are consistent and realistic. In addition to those initiatives undertaken by the Principals' Group which were cited earlier, the Council, the Principals' Group and the DPS have been jointly pursuing the following:

Southeast Initiative

In an effort to halt the enormous quantities of marihuana and cocaine entering the country through the Southeastern United States, the Executive Office initiated, during the summer of 1978, a major interdepartmental effort against drug trafficking in that area.

In July 1978, representatives from the Drug Enforcement Administration, the U.S. Customs Service, the U.S. Coast Guard, and the State Department met to review the situation and develop a comprehensive response. Since that time, representatives of the agencies have met periodically to review progress and discuss the activities.

Over 987 tons (1,974,680 pounds) of marihuana were seized by the U.S. Coast Guard from July through December 1978. This represented a three-fold increase over 1977 seizures during the same period (325 tons or 650,000 pounds). In addition, the total number of smuggling vessels seized by the Coast Guard during 1978 (140) exceeded the total number seized during the previous five years (1973-1977). The U.S. Customs Service also seized over 780 pounds of cocaine in Florida, Georgia, and the Carolinas during this July through December period.

In addition to significant gains in the effectiveness of actual law enforcement efforts, the initiative was directed at long range improvement, as well. The Drug Enforcement Administration has increased its presence in the Southeastern United States, has conducted training programs for both State and Federal officers and has increased the level of drug investigation activities. Currently, there are interagency investigative task forces working on drug traffickers and the financial aspects of drug trafficking, particularly in the Miami area. We are currently in the process of preparing a status report on the 1979 activities in this area.

The success of the Southeast initiative is a direct result of excellent cooperation and hard work by the Federal and State law enforcement agencies involved.

Financial Investigations

In connection with the Southeast Initiative and looking ahead to other opportunities we have encouraged greater use of financial intelligence and greater emphasis on financial investigations of the major drug traffickers. An example of this is the so-called BANCO investigation in which the FBI and the Drug Enforcement Administration collaborated on a financial investigation to bring indictments against major drug traffickers in the Florida area. In addition, the DEA and the FBI have been engaged in other joint activities which have significantly enhanced our overall enforcement of the Federal drug and organized crime laws. Today, each of the FBI's 59 field offices has a "narcotics coordinator" who promptly passes on to DEA any drug-related data obtained from informants and other FBI sources.

Colombian Initiative

Complementing our intensified interdiction effort in the Southeastern United States, the U.S. Government has signed an agreement with the Government of Colombia aimed at drug traffic originating in Colombia. This agreement commits Colombia to a military narcotic control interdiction effort, and calls for military surveillance in the Guajira Peninsula (the principal marihuana staging area of Colombia), destruction of clandestine air strips used by smugglers, strict control of all air and sea ports, and interdiction of illicit vessels and air traffic. The President of Colombia has issued a decree establishing air and sea restrictions which will enable the military to implement its narcotic control plan, and has committed Navy, Air Force, Customs, and Army personnel and equipment to the effort. In addition, the Colombian Attorney General will provide the United States Government with statistics and intelligence resulting from the enforcement efforts in Colombia.

To support this effort, the United States has agreed to supply limited amounts of equipment, intelligence, and personnel resources to the Colombian Government.

The Federal Response to the PCP Problem

A second major interdepartmental initiative coordinated by the Executive Office has addressed the increasing abuse of PCP (Phencyclidine) in the United States.

The PCP initiative began during the summer of 1978 when representatives from the National Institute on Drug Abuse (NIDA), the Drug Enforcement Administration (DEA), the Food and Drug Administration (FDA), and the National Institute on Mental Health (NIMH), met under the auspices of the White House Office of Drug Abuse Policy to review the situation and develop a comprehensive and coordinated response to the problem. Since that time, representatives of the agencies have provided progress reports on their activities, the latest update having been October 15, 1979. We have distributed this most recent update to Chairmans of Pharmacology Departments, Career Teachers, the concerned Federal agencies and members of Congress. The following represents only a select number of activities undertaken by the agencies and departments to combat the PCP problem.

- All Department of HEW (Health, Education and Welfare) publications on drug abuse now include a separate section on PCP. Furthermore, CODAP formally added PCP as a separate category on its data collection forms in March 1979 so that we can gain a full understanding of the scope of the problem.
- Guidelines for the diagnosis and treatment of PCP are now being sent to all HEW regional offices, single State agencies, all drug abuse treatment programs, emergency rooms and hospitals throughout the country.
- The National Institute on Drug Abuse has actively delved into PCP research as evidenced in such widely distributed publications as "Phencyclidine (PCP) Abuse: An Appraisal" and the exciting discovery of specific receptor sites in the brain with a high affinity for PCP. Continued research of the PCP receptor may lead to the development of a PCP antagonist and may have far-reaching implications for the mental health field. In FY-1979, NIDA spent $1 million on 20 research projects focusing on PCP. The majority of these grants were for basic research to investigate the biological and psychological consequences of PCP and its analogs.

These are just three of eleven steps under our health initiatives which are outlined in the Federal Response. In the law enforcement arena, we have seen some encouraging progress. The Drug Enforcement Administration's Special Action Office/PCP was established on June 11, 1978. One year later, DEA had seized 65 PCP laboratories and seized over 10 million dosage units of PCP. I note this here because there appears to be a direct correlation between increased seizure activity and a downward trend in PCP mentions in the Drug Abuse Warning Network. Our law enforcement actions must continue to limit the availability of the drug.

The passage of the Psychotropic Substance Act of 1978 by the 95th Congress and President Carter' signing of the act last November was a significant move to reduce the supply of PCP. The law not only doubled the criminal penalties for manufacturing, distributing or dispensing PCP but also controlled one of the drug's primary precursors-piperidine. Today, our intelligence reports indicate that although the retail price for a gallon of piperidine is $129.00 for legitimate purposes, the black market price is now $1500.00. By placing chemical analogs of PCP under control, we have closed an enforcement loophole and eliminated the possibility of technical defense arguments in the course of criminal prosecution.

As the Federal Government seeks to reduce the supply of PCP and identify and treat PCP health problems, regulatory actions are also being taken to halt the drug's threat. The FDA, DEA, and NIDA are presently working closely to ensure that PCP and similar drugs are quickly placed under Federal control. The feasibility of scheduling PCP and its analogs to Schedule I is now being studied.

I am pleased to say that the joint Federal effort, together with the increased public awareness of the problem such as the Congress has given to it may have been responsible for the recent stabilization of the problem in some cities during the first half of 1979. While the figures of 1979 are still high, they are somewhat less than the peak reported during the third quarter of 1978.

European Initiatives to Control Drug Abuse

As a part of the overall international strategy of encouraging other countries to systematically assess and respond to their own problems and to encourage their support in multi-lateral anti-trafficking and source elimination efforts, this office undertook several major efforts in Western Europe:

- Consultations both in Europe and in Washington with health, law enforcement and diplomatic officers of the Federal Republic of Germany, Netherlands, Norway, Italy, Austria, Belgium, France, Sweden, Denmark and United Kingdom, as well as officials in WHO (Europe), WHO (Geneva), the International Narcotics Control Board (INCB) and the UN Division of Narcotic Drugs (DND).
- Creation, by exchange of letters, of U.S.-FRG Joint Working Committee to insure closer program coordination in areas of law enforcement, treatment, and scientific activities.
- Early promotion of OECD as "convenor" for European interests; followed up strongly by Assistant Secretary Falco and Under Secretary Christopher in June 1979.
- Bi-lateral discussions with Sweden and France.

Response to President's Message on Drug Abuse

In response to directives contained in President Carter's Message on Drug Abuse, presented to Congress on August 2, 1977, the following actions have been taken by appropriate agencies or departments. The Domestic Policy Staff continues to monitor these responses and has prepared two follow-up reports on their implementation.

International Efforts

- The Department of State is continuing to raise the international narcotics control issue in meetings with foreign officials from narcotics producing, trafficking and victim countries and has encouraged the U.S. Ambassadors in these countries to do the same at the highest levels of the host governments.
- To enhance and strengthen the international narcotics control program, the Department of State has consolidated into what was formerly the Office of the Senior Adviser for Narcotics Matters the policy and program management responsibilities previously shared by the Senior Adviser and AID. The Executive Branch and the Congress have further recognized the importance of this

program by elevating the Office of the Senior Adviser to the Assistant Secretary level.

- Department of State guidelines of December 23, 1977 specifically direct AID Missions to concentrate, to the extent possible, on economic development projects in narcotics producing areas of the countries. AID has ongoing development activities in the following primary source and trasshipment countries: Peru, Thailand and Pakistan.
- In Pakistan, the overall AID development efforts includes health and population planning, education, food and nutrition, and is aimed at the rural parts of the country where the illicit drug producers reside.
- In the coca producing regions of Peru, two AID projects are now underway involving:
  (1) the establishment of research training centers on soy and corn production to develop farming techniques applicable to small farmers, and
  (2) the financing of small agri-business loans.
- In Bolivia, AID has provided a loan to assist in the establishment of a coffee production cooperative in a primary coca producing region. The recent political developments in Bolivia have obviously affected our plans for providing developmental assistance in this region.
- In Thailand, the Highland Integrated Rural Development (Mae Chaem Watershed) project has begun to introduce a stabilized agricultural system to disadvantaged hill tribes who have been engaged in illicit opium cultivation.
- Over time, most, if not all, of these projects should have some reducing impact on illicit drug producing areas by providing farmers with economic alternatives to cultivating drug producing crops.
- The Central Intelligence Agency is formulating estimates on the amount of opium being cultivated in Pakistan and Afghanistan and has made a similar effort with regard to the coca-producing countries of Latin America.

The agency is continuing to monitor the Golden Triangle of Southeast Asia.

- In conjunction with these estimates, CIA is also developing the capacity and methodology for monitoring world opium poppy cultivation.
- The CIA is continuing to collect and analyze narcotics-related information, particularly related to the economic impact of illicit trafficking in Central American and the Caribbean.
- U.S. representatives to the multi-lateral development banks in conjunction with the Department of Treasury are now seeking to incorporate specific provisions in loan agreements to ensure that proposed projects do not contribute to narcotics projection and will consider such provisions when voting and deciding upon the U.S. position. The U.S. Executive Director to the Asian Development Bank, in conjunction with the Department of Treasury, was successful in the inclusion of an anti-opium clause in a loan agreement for an irrigation project in Afghanistan.

Domestic Efforts

The National Institute on Drug Abuse is continuing to ensure that compulsive users of any type of drug receive highly priority in NIDA funded treatment programs, with priority on those individuals who present the greatest clinical need for treatment. The Institute is currently trying to improve:

1. training for health professionals in treating non-opiate drug abusers; and
2. the capability of general health care facilities under HEW jurisdiction in identifying and treating problems of non-opiate drug abuse.

The Department of Health, Education and Welfare has prepared a draft prevention work plan with an emphasis on mass communication of drug abuse information, prevention program evaluation, and research on the correlates and causes of drug abuse.

The Department of Health, Education and Welfare has also completed the study of sedative/hypnotic drugs and found that:

1. these drugs are unnecessary in many cases, often actually hinder sleep, and contribute to nearly 5,000 overdose deaths a year;
2. benzodiazepene, with some qualification, is at least as effective as other sedative/hypnotic drugs, has a greater margin of safety and presents less risk of drug interactions;
3. the efficacy of short-acting barbiturates is questionable when administered on a chronic basis;
4. the existing evidence, however, does not warrant the removal of barbiturates from the market;
5. some non-barbiturate, non-benzodiazepene sedative/hypnotics have relatively little clinical utility and carry serious risks.

The Department of HEW is discouraging the unnecessary use of barbiturates and sedative/hypnotics in HEW facilities through surveys, internal reviews, dispensing restrict-ons, and physician education programs. Barbiturate purchases and non-barbiturate sedative/hypnotics (except flurazepam) purchases by the U.S. Public Health Service have significantly declined. An additional follow-up survey on the decreasing use of barbiturates and sedative/hypnotics is scheduled.

The prescribing and use of barbiturates in military hospitals continues to decrease. The Department of Defense is currently in the process of evaluating what might be done through the CHAMPUS program to control the licit use of barbiturates.

The Veterans Administration has experienced a 22% decrease in the amount of sedative/hypnotic drugs ordered through VA pharmacies (approximately 70% of the total VA prescribing) from FY 1976 to FY 1978.

The VA has undertaken a study of the prescribing practices in psychiatric treatment by physicians and hospitals to determine appropriate practices, identifying problem cases and serve as the basis of training.

The VA has sent a Professional Services Letter on sedative/hypnotics to directors of all VA health care facilities, directed each facility to provide training on prescribing practices and conduct workshops for Chiefs of Staff and and Chiefs of Veterans Administration Medical, Surgical and Psychiatric Services of VA hospitals on improving prescribing practices of medical personnel in the VA health care system.

The Drug Enforcement Administration conducted 119 investigations of barbiturate manufacturers resulting in 49 adverse actions; 74 investigations of distributors resulting in 28 actions; and 72 investigations of retailers (pharmacies and practitioners) resulting in 52 actions. There was no evidence of diversion of barbiturates at either the manufacturing or wholesale level; most of the violations involved record-keeping and security. The major diversion problem appears at the pharmacy and practitioner levels.

The Department of Justice has worked with the States in establishing Diversion Investigation Units (DIU's) in 16 States and the District of Columbia to identify practitioners and other individuals (i.e., nurses, pharmacologists, etc.) who are involved in drug diversion. During the period July 1977 to July 1978, the DIU's were responsible for approximately 484 State and local arrests and seizures totalling an estimated 3/4 million dosage units of diverted drugs. Current plans include establishment of DIU's in three additional States each year for the next ten years, beginning with States which have the most serious diversion problems. In addition to the DIU's, Federal investigators have been able to obtain investigative leads involving diversion at the practitioner level based on an analysis of drug purchases as reported in ARCOS (the Automated Reports and Consummated Order System).

Though the complete study will not be available until December 1981, the Department of Transportation is working on the following interim projects to comply with the President's directive:

- A study of the development of less intrusive methods to test for drug use, particularly marihuana use. The preliminary results are not encouraging and indicate that breath tests for marihuana are unreliable and that saliva tests can detect the presence but not the amount of marihuana in the system.
- A laboratory study of the effects of marihuana on simulated driving tests.
- A review of the state of knowledge on drugs and driving to be completed by December 1979.

The Department of HEW will conduct extensive research ($1,000,000) on smoking behavior and tobacco dependence at the Addiction Research Center this year.

The Department will also continue the joint NIDA and NIAAA Substances Abuse Program which reviews research grant applications concerned with both alcohol and drug abuse.

The Department has prepared a timetable and plan for the project "Big Sleep"--a project designed to assess exsiting knowledge, to determine what additional information is needed to establish a physician-patient education program on sleep disorders and their treatment which would include the use and abuse of sedative/hypnotic drugs.

The Department has completed a study on the impact of alcohol abuse on women and youth.

At the request of the White House, the Surgeon General will be convening a national meeting of Federal, State officials and concerned professional and trade associations to better identify and deal with diversion of controlled substances at the retail physician/pharmacist level.

Legislation

We have been fortunate in the past year to have worked with an actively involved and concerned Congress which passed legislation which strengthens the Federal Government's capability to deal with the drug abuse problem. I would like to list several of these laws:

1. On October 3, 1978 the President signed the Customs Procedural Reform and Simplification Act of 1978 (PL 95-410) which under Section 111 of Title I increases the dividing line between administrative and judicial forfeiture from $2,500 to $10,000. This legislation will enable vehicles, vessels, and aircraft used by drug violators to be processed for forfeiture under administrative regulations in a much more timely manner with attendant savings in storage costs and court proceedings.
2. On November 10, 1978 the President signed PL 95-633 in which a specific title is devoted to PCP criminal penalties and piperidine reporting. We have previously discussed this law under the "PCP Initiative".
3. The enabling legislation for the Psychotropic Substances Treaty was enacted by the 95th Congress and has been signed by the President. We await Senate action on the Treaty and look forward to its early ratification.
4. On October 10, 1979 the President signed the Federal Magistrate Act of 1979. As you know, Senator DeConcini, the President in signing the bill thanked you personally for your leadership and efforts to ensure the passage of the bill. This Act will expand the jurisdiction of United States magistrates in both civil and criminal cases, and will ensure that magistrates are appointed on merit. It will also improve the capabilities and efficiency of the federal court system, while at the same time preserving parties' rights and reducing the expense of litigation.

Congressional Testimony

Our appreciation to the U.S. Congress does not limit itself to legislation alone. The Committees of the House and Senate have, on many occasions, provided the Administration with opportunities to convey and explain our policies and programs at public hearings. Since the reorganization of the Office of Drug Abuse Policy into the White House Domestic Policy Staff, I have testified before Congress on the following occasions:

February 17, 1978	Subcommittee on Health and Environment (Psychotropic Convention)
April 18, 1978	House Select Committee on Narcotics (Prevention)
April 19, 1978	House Select Committee on Narcotics (Methadone Diversion)
April 19, 1978	Subcommittee on Health and Environment (NIDA authorizing legislation)
April 27, 1978	House Select Committee on Narcotics (Drug Abuse in the Military)
May 9, 1978	Senate Subcommittee on Drug Abuse and Alcoholism (Cocaine Trafficking - Colombia)
June 14, 1978	House Select Committee on Narcotics (Treatment and Rehabilitation)
June 21, 1978	Joint Senate Subcommittee on Drug Abuse and Alcoholism and the Subcommittee on Juvenile Delinquency (PCP)
July 21, 1978	House Select Committee on Narcotics (Southeast U.S.)
August 8, 1978	House Select Committee on Narcotics (PCP)
August 22, 1978	Subcommittee on Juvenile Delinquency (Southeast U.S.; Trafficking on the High Seas)
March 2, 1979	Senate Subcommittee on Alcoholism and Drug Abuse (Drug Abuse Prevention, Treatment and Rehabilitation Act of 1979)
March 27, 1979	House Subcommittee on Health and the Environment (NIDA Reauthorization Legislation)
June 12, 1979	House Select Committee on Narcotics and Drug Abuse Control (Prevention)
June 14, 1979	House Select Committee on Narcotics and Drug Abuse Control (Domestic Drug Law Enforcement)
June 21, 1979	House Select Committee on Narcotics and Drug Abuse Control (Foreign Operations)
July 10, 1979	House Select Committee on Narcotics Abuse and Traffic (1979 Federal Strategy
July 24, 1979	House Select Committee on Narcotics Abuse and Traffic (Cocaine)

September 11, 1979	Senate Subcommittee on Criminal Justice (DEA Oversight)
October 31, 1979	House Select Committee on Narcotics Abuse and Traffic (Diversion of Licit Drugs)
November 1, 1979	House Select Committee on Narcotics Abuse and Traffic (Paraphernalia)
November 16, 1979	Senate Subcommittee on State, Justice, Commerce, the Judiciary (Federal Oversight and Coordination)

Now I would like to discuss the future -- some of the initiatives which we are planning or are in the early stages of implementation.

Adolescent Drug Abuse Campaign

With one in nine American high school seniors smoking marihuana daily, drug use among our youth is an issue of great concern. Experimental drug use continues to rise significantly in high schools across the country. The most recent youth Gallup Poll shows that teenagers themselves share our concern, in that they list drug use and abuse as the foremost problem facing their generation. Parents, teachers and students themselves need to have accurate information available to them. In addition, parents and teachers need some assistance in developing ways of conveying this information to their youngsters.

Our goal is to provide this accurate information about adolescent drug abuse to parents, teachers, and other key youth leaders so that they will be prepared to firmly discourage drug abuse by adolescents with whom they come in contact. Through this campaign, we hope to reach out to local communities and encourage them to bring about significant changes in the attitudes of our youth toward drugs. We are involving the NIDA, HEW, DEA, and a number of key community groups, such as the National PTA, the National Education Association, etc. in this effort.

Drug Abuse in the Military

Drug abuse in the armed services is an especially sensitive subject because of the potential impact on Defense readiness. This concern is emphasized by widespread media coverage and continuing Congressional scrutiny. The DOD has undertaken a number of initiatives, many in response to an ODAP policy review, to address this problem.

Our goals are to identify and respond to those issues which directly involve the White House, to monitor the DOD implemention of its new drug abuse prevention programs, and to ensure that DOD drug activity is integrated into other U.S. drug prevention activities. We are committed to an active oversight of the DOD programs and are working closely with the departments to ensure a continuing strong and visible effort.

Diversion of Psychotropics From the Licit Market

Most abused psychotropic substances come from legitimate domestic manufactures and most diversion occurs at the retail practitioner level. Adequate means exist to identify physicians, pharmacists and other health professionals whose questionable practices result in large scale diversion. The problem is to use this information to bring appropriate professional peer pressure as a first resort or, failing that, to take regulatory or criminal actions against these people.

Our goal is to establish effective working relationships between the Federal agencies and the State licensing boards, professional associations (AMA, PMA, APHA, etc), peer groups and others to both identify the sources of diversion at the practitioner level and to halt this diversion. In addition, we will assure that Federal authorities work with State and local enforcement agencies to investigate and prosecute those individuals committing clearly criminal acts. To have maximum impact, this issue must not be seen as totally law enforcement oriented, but will include such things as physician eduction, etc.

Drug Interdiction at Our Borders

Improvement of our capabilities to interdict drugs at our national borders continues to be a high priority. We will continue to emphasize interagency coordination and involvement and support of State and local law enforcement agencies. Joint operations such as the recent DEA/Customs effort to interdict drug smuggling by aircraft will be continued and a major drug intelligence report,which includes analyses of drug trafficking routes, is scheduled for publication in December 1979. It is especially important that we maintain sufficient flexibility to be responsive to changing trends in drug smuggling.

Puerto Rico Task Force

We have established a law enforcement task force in Puerto Rico which is headed by DEA. Representatives from the Puerto Rican government, DEA, Customs and the Coast Guard are developing an Island strategy to raise the level of drug law enforcement aimed at drug trafficking into and through the Island. The task force will prepare progress reports for the Governor and for me.

Eradication as a Mechanism for Reducing Illicit Production

Eradication with herbicides is the most cost-efficient and effective means of destroying narcotics at their source. Problems exist regarding the possible ecological and health impact of spraying programs on both the citizens of host governments and on Americans. There is the additional question of eradicating crops where no other sources of income is available for farmers.

Our goal is to determine whether herbicides can be safely used for eradication, to review the effectiveness of other means of crop destruction and crop suppression and to gauge the political consequences of any steps taken. This effort involves the Departments of State, Justice, HEW and Agriculture, as well as the United Nations and the international organizations. It will require an overall Administration assessment and policy decision in which both program and political issues are carefully considered.

Use of Developmental Funds in Narcotics Producing Areas

The only successful means of reducing narcotics cultivation in "traditional" producing areas, such as Afghanistan, Bolivia, Burma, Pakistan, Peru and Thailand, is to aim for overall development of the region. Alternative sources of livelihood must be made available to growers through programs of crop and income substitution, and health and educational improvement, concurrent with enforcement of narcotics cultivation bans. Since narcotics funds are inadequate to do this, we must encourage AID, other bilateral donors, the IFI's and U.N. developmental organizations to target assistance to these areas.

Our goal is to implement the President's policy of aggressively pursuing development of narcotics producing areas by gaining the producing country's support, as well as by working with bilateral and multi-lateral donors to make the necessary funds available. We will coordinate the efforts of State, AID, Treasury, and DEA, all of whom have roles to play in this initiative.

Enhance U.N. Capabilities

International organizations have been involved in both drug demand and supply reduction efforts for over fifty years. Because of lack of resources and bureaucratic and personnel problems, the success of these efforts has been varied. As part of our efforts to achieve global involvement to fight the drug problem, international organizations should be encouraged to assume a more visable role in the entire drug field.

Our goal is to work with other governments and the appropriate personnel in international organizations to develop more aggressive and effective U. N. drug programs in such areas as international drug trafficking interdiction, international demand reduction, economic development of narcotics producing areas and assuring a balance between supply of and demand for licit narcotics To accomplish this, we will involve a number of bureaus in the Department of State, as well as AID, HEW, DEA, and the USDA.

Judicial Assistance Treaties

The prosecution of drug-related crimes committed outside the jurisdiction of the United States or committed by foreign nationals has been a major law enforcement problem. We must foster freer and quicker exchange of needed information and develop procedures within national judicial systems to help apprehend, prosecute and convict drug traffickers. Our goal is to assure that the U.S. enters into appropriate treaties to enhance enforcement of drug trafficking laws involving international transactions. An extradiction treaty and a mutual assistance treaty with the Government of Colombia, for example, was signed this past September.

The South Asian Plan

Heroin from South Asia poses an increasing threat to efforts to control drug abuse within the United States, for this heroin has already flooded Western Europe and is readily available to U.S. personnel and their dependents stationed in Germany. By establishing and implementing an active South Asian plan, we hope to limit the problem before it begins to have a major impact on the U.S. heroin market.

The Department of State has developed an action-oriented strategy paper which proposes viable courses of action to deal with the increased recent opium production in Afghanistan and Pakistan. However, the events in this part of the world have forced constant revisions of the strategy paper. We are hoping that in the next few months the political and social unrest in these countries will be resolved so that a comprehensive plan for South Asia can be completed. We look forward to working with the Department of State on this issue and to reviewing the document at the appropriate time.

On the domestic front, we have established a working group of representatives from the Departments of State and Treasury, DEA, NIDA, and Customs to assess the extent of Middle

Eastern heroin in the U.S., and developed domestic strategy to deal with this problem.

Strategy Council on Drug Abuse -- Activities and Public Role

As I mentioned earlier, in December of 1978, we began a series of highly successful meetings with the public members of the Strategy Council. The continuing involvement of both public members and departmental representatives fulfills the President's commitment to a truly revitalized Strategy Council and will continue in 1979-1980.

As you can see, we are and will continue to pursue a wide spectrum of activities in 1980. The Executive Branch cannot accomplish these alone. We intend to continue working closely with the Congress in our joint efforts to reduce the serious effects of drug abuse in our Country. However, the Federal Government cannot, alone, solve the problem of drug abuse. We must encourage and work with State and local governments to do all they can to reduce the supply of illegal drugs and to prevent drug abuse. Most of all, we must have public support and the continued support of the U. S. Congress to stem the tide of increasing drug abuse in our Nation.

Thank you.

[From the Federal Register, Vol. 44, No. 93, Friday, May 11, 1979]

PRESIDENTIAL DOCUMENTS—EXECUTIVE ORDER 12133 OF MAY 9, 1979

DRUG POLICY FUNCTIONS

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 5C of Reorganization Plan No. 1 of 1977 (42 F.R. 56101), and in order to clarify the performance of drug policy responsibilities within the Domestic Policy Staff, it is hereby ordered as follows:

1-101. The Domestic Policy Staff has been assigned to assist the President in the performance of the drug policy functions transferred by Section 5C of Reorganization Plan No. 1 of 1977 (42 F.R. 56101). (Section 2(c) of Executive Order No. 12045.)

1-102. Within the Domestic Policy Staff, the Associate Director for Drug Policy shall be primarily responsible for assisting the President in the performance of all those functions transferred from the Office of Drug Abuse Policy and its Director. In particular, the Associate Director from Drug Policy shall be primarily responsible for assisting the President in formulating policy for, and in coordinating and overseeing, international as well as domestic drug abuse functions by all executive agencies.

1-103. The Associate Director for Drug Policy shall be directly responsible for the
ctivities of a drug policy staff within the Domestic Policy Staff.

JIMMY CARTER.

'he White House,
Aay 9, 1979.

SUMMARY STATEMENT

Mr. DOGOLOFF. Thank you, Mr. Chairman.

It is a pleasure to be here today to discuss the Federal drug program
nd the role my office plays in providing Executive Office oversight
nd coordination. The October 25, 1979, GAO report is an excellent
eview of Federal drug enforcement efforts over the past several years.

As the GAO report indicates, the Office of Drug Abuse Policy was
bolished in 1978. Under Reorganization Plan No. 1 the functions were
bsorbed into a separate office in the White House Domestic Policy
taff.

As the Associate Director for Drug Policy, I have oversight responsi-
ility for drug policy and coordination throughout the executive branch.
Vith strong congressional support, my office and the Federal agencies
ave pursued a clear and effective strategy which I believe has had a
ositive impact on the Federal drug abuse program.

The problems of drug abuse in America and around the world are
oth fluid and complex. Our strategy involves a multi-faceted approach
nat includes prevention and treatment, as well as domestic and
nternational supply reduction efforts.

I am pleased to say that coordination among the executive branch
gencies today is better than it has ever been. The conflicts that do sur-
ice among drug agencies are addressed quickly, directly and suc-
essfully, through mechanisms such as my office, the Principals Group
nd the Strategy Council on Drug Abuse.

MEETING OF PRINCIPALS

Once a month I chair a meeting of the heads of the Federal drug
gencies called the "meeting of the Principals". During these meetings,
e discuss operational and policy issues of mutual concern. This
'rincipals Group" has been extremely successful in addressing the
risdictional conflicts which have historically plagued this field.

In addition to my role on the Domestic Policy Staff and the
incipals Group, I serve as the Executive Director of the President's
rategy Council on Drug Abuse which provides another coordinating
rum for the executive branch. The Council, consisting of seven
abinet officers and six private sector members is responsible for the
evelopment of a Federal strategy in accordance with Public Law
-255. This strategy represents a comprehensive approach to the
ation's drug problem and serves as the foundation from which the
deral Government can proceed toward reducing the serious effects of
ug abuse in this country.

The authority of my position is clearly stated in Executive Order No.
133, signed by the President, which is attached to my prepared
atement. This policy and coordination function has resulted in several
ccessful programs which the GAO Report mentions, some of which I
ould like to highlight.

THE SOUTHEAST INITIATIVE

The Southeast Initiative, spearheaded by our office during the summer of 1978, comprises a major interdepartmental effort against drug trafficking in the Florida border area.

In July 1978, representatives from the Drug Enforcement Administration, the U.S. Customs Service, the U.S. Coast Guard, and the State Department met under our auspices to examine the situation and develop a comprehensive response. A number of subsequent meetings have assured ongoing drug enforcement progress and coordination.

The Southeast Initiative marks long-range improvement in drug control in this area as well. The Drug Enforcement Administration's presence in the Southeastern United States has increased. The DEA and Customs are working closely with State and local agencies. Training programs were conducted for State and local law enforcement officers, and the level of drug intelligence collection has increased. Interagency investigative task forces are now focusing on major drug traffickers and their financial activities.

The DEA and FBI, in joint activities, have significantly enhanced enforcement of the Federal drug and organized crime laws. The successful Southeast Initiative is being used as a model for other border programs such as Operation Gulf-Net. A second major interdepartmental initiative coordinated by our office has addressed the increasing use of PCP—Phencyclidine—in the United States.

PCP INITIATIVES

The PCP Initiative began in the summer of 1978, when representatives from various agencies met under our auspices and developed a comprehensive and coordinated response to the problem. Executive branch activities supported by the passage of the Psychotropic Substances Act of 1978 have had significant impact on the availability and use of PCP.

In addition to border interdiction and domestic supply reduction efforts, our strategy strongly advocates comprehensive international initiatives. As the GAO report points out and the 1979 Federal Strategy concludes, supply reduction efforts aimed at stopping the drugs as close to the source as possible are essential to successful drug control.

INTERNATIONAL CONTROL

To strengthen the international narcotics control program, the Department of State has established the Office of the Senior Adviser for Narcotics Matters, and the executive branch and the Congress have further recognized the importance of this program by elevating the Office of the Senior Adviser to the Assistant Secretary level.

In an effort to increase international cooperation, the Department of State continues to raise the narcotics control issue during meetings with foreign officials from narcotics producing or trafficking countries.

In conjunction with our diplomatic efforts, the State Department is working with local officials to establish economic development projects in narcotics-producing areas. These projects are long range and costly as the GAO study indicates but should, over time, reduce illicit drug production by providing farmers with economic alternatives to cultivating drug-producing crops.

To underline our commitment to drug control, the President has directed U.S. representatives to the multilateral development banks to seek the incorporation of specific antiopium clauses in loan agreements with drug-producing countries. The U.S. Executive Director to the Asian Development Bank has been successful in the inclusion of such a clause in a loan agreement for an irrigation project in Afghanistan.

The broad international support that GAO analysts cite as necessary in antitrafficking and source elimination efforts is being realized. Both recent bilateral and multilateral efforts have resulted in a greater awareness on the part of producing, transiting, and victim countries as to the dangers to the health of their citizens, and to their societies as a whole of drug abuse and drug traffic. More, however, will have to be done, particularly in conjunction with other governments and international organizations.

In conclusion, I am pleased to say that clear policy has been established in the drug program and, just as important, the program managers know about it and are conducting their programs in accordance with our strategy. Coordination among the executive branch agencies is better today than it has ever been.

The Federal drug abuse programs enjoy strong leadership. The problems which arise are, for the most part, situational rather than endemic.

Together, we and the Congress have been involved in a number of coordinated Federal initiatives which in addition to ones already stated, include a clarification of the Federal Government's marihuana policy; the formulation of an illicit drug crop destruction policy, and the preparation of a constitutionally defensible model law to prohibit the manufacture and sale of drug paraphernalia.

This list is not all inclusive but it does represent the kinds of issues upon which the executive branch has focused. An expanded list of activities has been included in my prepared statement. We in the executive branch cannot accomplish these objectives alone. We must look to the other two branches of the Federal Government and to the American people themselves who will ultimately succeed in eliminating the drug abuse problem in our country.

Thank you.

Senator DECONCINI. Thank you, Mr. Dogoloff. I appreciate your statement and the attachments thereto. I have a number of questions.

Let me first say, I want an opportunity to read your whole statement and we will submit some additional questions.

I do have some that come to my mind before I have seen your statement, having talked to you the other day and knowing a little bit about your office and the predecessor in that office.

IMPLEMENTATION OF POLICY STUDIES

By the end of March 1978, the Office of Drug Abuse Policy had conducted seven interagency policy reviews and issued reports covering the areas of demand reduction, drug law enforcement, international narcotic control, narcotic intelligence, regulatory compliance activities, drug abuse in the armed services and border management and interdiction. What has been done to insure that the policy studies promulgated by the Office of Drug Abuse Policy and approved by the President were implemented vigorously by the responsible agencies?

Mr. DOGOLOFF. Each of those reports were conducted in conjunction with representatives from the various Federal agencies involved. They were transmitted officially to the agencies, and we have received specific progress reports from agencies on the very specific recommendations involved in each instance.

Senator DECONCINI. Do you have an overall status report as to these policy decisions that were made, and could you submit that to us or anything you can put together for the committee?

Mr. DOGOLOFF. I can. The other thing that might be helpful is a status report on the followup to the specific directives in the President's message to the Congress of August 2, 1977. We can give you specific progress that has been made relative to the implementation of the President's directives as well.

Senator DECONCINI. That would be fine. What I would particularly like to see are the ones that I just mentioned. My understanding is that by the end of March you had conducted these. I would like to know the status of their implementation so we can see whether or not they are being implemented.

Are you satisfied they are, or are you monitoring those in the process of being implemented?

Mr. DOGOLOFF. We are continuing to monitor them. As you know, in the drug field, things change very rapidly. Some of those recommendations have been overtaken by time and some of them we have seen fit to change. But many of them are being implemented. We will address that to you in writing.

Senator DECONCINI. Your status report would point out the ones that have been changed, and the reason you are not addressing them.

Mr. DOGOLOFF. Right.

STRATEGY COUNCIL MEETINGS

Senator DECONCINI. The Council you mentioned, are the meetings of the Council usually attended by Cabinet officials themselves, or do they send some designee?

Mr. DOGOLOFF. Normally a Cabinet official will send a departmental designee to that meeting.

We find that that is very effective in that they are people who are more familiar with the day-to-day operation of the drug program.

Senator DECONCINI. What level of designee do they usually send?

Mr. DOGOLOFF. Generally assistant secretary level.

Senator DECONCINI. Like the Attorney General of the Department of Justice, who does he send?

Mr. DOGOLOFF. He usually sends more than one representative—Mr. Bensinger and Mr. Heymann usually attend.

Senator DECONCINI. And those are the people, then, that you meet with?

Mr. DOGOLOFF. Yes.

Senator DECONCINI. How often would you say someone in the position of Mr. Heymann of the Criminal Division attends?

Mr. DOGOLOFF. He regularly attends our Principal meetings which is scheduled once a month. He is a member of that group so he attends that meeting. The Strategy Council itself meets approximately four times a year.

Senator DECONCINI. Does he attend that?

Mr. DOGOLOFF. I am not sure. I can check our records, but we do have high level representation from all the departments involved, as well as the Principals.

Senator DECONCINI. Has the President or the Chief of the White House Staff attended any of these meetings?

Mr. DOGOLOFF. The President did attend the first meeting and chaired the first meeting of the Strategy Council and my boss, Mr. Eizenstat has also attended.

STATE DEPARTMENT STUDIES

Senator DECONCINI. I understand that the Bureau of International Narcotic Matters in the Department of State has prepared a 5-year Coca Strategy paper, a Mexican Heroin paper, East Area Regional Strategy paper, and a Near East Strategy paper.

Are you familiar with any or all of those, and did the Office of Drug Abuse Policy participate and endorse these strategy papers?

Mr. DOGOLOFF. Yes, I am familiar with all of them, and we did participate in drafting those, particularly the Middle East Plan, which we are particularly concerned about right now, as well as the Coca Strategy.

We have worked with them and we have discussed them within our Principals Group.

OPIUM STRAW

Senator DECONCINI. Are you aware of any legislation, Mr. Dogoloff, that is pending either in the White House or the DEA or any other agency regarding the prohibition of importation of opium straw?

Mr. DOGOLOFF. No.

Senator DECONCINI. Do you have any opinion on that subject matter, that is the need or even consideration of prohibiting such importation?

Mr. DOGOLOFF. Yes, I do.

There is a resolution passed by the United Nations which, because of the current international imbalance in supply and demand of opium, states that consuming countries should give preference to the traditional suppliers of opium, Turkey and India.

I met with representatives of the Turkish Government just this week and assured them that we are committed to the spirit of that resolution and are very pleased with what the Turkish Government has done to control their crop and want to provide a market for the straw conversion process that they have changed to.

They have the equivalent of 4 years' supply of opium now in storage.

It is going to take 8 or 10 years, probably, to get back in some kind of a reasonable supply and demand balance internationally.

We are very much involved with that, however, Mr. Bensinger has the primary responsibility for making that decision.

Senator DECONCINI. Is the Administration contemplating to your knowledge, or are you considering any such prohibition, that is legislative prohibition?

Mr. DOGOLOFF. Prohibition of importation?

Senator DECONCINI. Importation of the straw.

Mr. DOGOLOFF. No, I am not.

Senator DECONCINI. From what I gather, you say Turkey has been quite successful in its enforcement area and the information you have would lead us not to move in the area of denying the importation of straw, because it appears to have had some benefit in drying up the gum market at least to some extent.

Mr. DOGOLOFF. Absolutely.

Senator DECONCINI. Would you agree with that?

Mr. DOGOLOFF. Absolutely.

COORDINATION AMONG FEDERAL AGENCIES

Senator DECONCINI. The Congress, GAO and the Administration have all called for increased cooperation among Federal agencies, and over the years have made a number of recommendations toward avoiding costly duplications. Yet Federal agencies have over the years developed, and continued to develop separate systems, such as the intelligence support system, telecommunication networks, aircraft, and vehicle maintenance to support the basic enforcement mission.

Just for instance, the Coast Guard, Customs, Immigration and Naturalization Service, Drug Enforcement Administration, do not have a common radio frequency for use in communication with one another during their drug interdiction operations. At least that is the information this committee has.

What has been done and is being done to avoid the costly duplication in overlapping enforcement activities in support systems at our borders?

Mr. DOGOLOFF. I think there are, a number of cooperative efforts that are going on between the agencies that you mentioned and clearly the situation is different in different parts of the country. There is also no question that more can be done. We have, for example, the joint intelligence at the operational level in EPIC. There is the National Intelligence Coordinating Committee which is chaired by DEA and also includes all of the other Federal law enforcement and intelligence agencies. There are a number of these kinds of coordinating activities that go on. We, as well as each of the agencies, are examining the GAO report, and it was a point of discussion at our principals meeting earlier this week. We think there are some good recommendations in there and some opportunities to improve the efficiency and the effectiveness of our program. We are going to take those very seriously and begin to implement them.

SHARED COMMUNICATIONS SYSTEMS

Senator DECONCINI. Mr. Dogoloff, if, in fact the Coast Guard, Customs, Immigration, Naturalization, and the DEA, have no common radio frequency, and I have no information to lead me to believe that they do, either through personal experience 3 years ago or other information I have; doesn't that seem to be an area that ought to be addressed? Maybe it is being addressed, are you moving in that direction?

Mr. DOGOLOFF. Yes, I believe in specific operations, such as one that was just concluded in the Southeastern United States, that, in fact, did go on.

There was a coordinating group between those agencies and it was quite successful in making some major seizures and indictments.

Senator DECONCINI. What can you do in your office, and what have you done to put together a cooperative communication system between just the agencies I mentioned?

Mr. DOGOLOFF. We have not specifically addressed that issue. What we can do is call the agencies together, air the problem, and see what can and should be done. I will be happy to do that and get back to you with specific recommendations as to what we decide to do, or not do, and what our basis is for that.

Senator DECONCINI. Do you have the authority to order those particular agencies to put together a cooperative communication system?

Mr. DOGOLOFF. I do.

Senator DECONCINI. And are you prepared to do that and, if not, when?

Mr. DOGOLOFF. I am prepared to do that, if after a meeting with the agencies that seems to be the way to go. I want to hear from the agencies first as to what the problems are and what the costs would be and so forth, in such a plan. If it makes sense, I am prepared to go ahead. If it does make sense, I can't believe the agencies themselves wouldn't want to do that.

Senator DECONCINI. If you hear only from the agencies and if there is some reluctance on their part, would that be as far as you would go to get input on making your decision?

Mr. DOGOLOFF. No, if I had further question about the issue, I would go to the field, as I have a number of times. I have spoken with and stood next to customs inspectors on the line, immigration officials looking at border operations, lots of different things. That is the kind of thing I do and do regularly in terms of trying to keep in contact with what is happening in the real world.

Senator DECONCINI. So under the executive order, you are satisfied that you have the direct Presidential authority to mandate, say, just in communication, a cooperative coordinated effort.

Mr. DOGOLOFF. Absolutely.

Senator DECONCINI. And you are prepared to do so, as soon as you get the input.

Now, is that true in other efforts, too, on cooperation among law enforcement agencies on the Federal level?

EFFECTIVENESS OF DOMESTIC POLICY STAFF OVERSIGHT

Mr. DOGOLOFF. When it comes to drug abuse issues, that is true, although I am pleased to say that I cannot think of an instance where I have had to exercise that kind of authority, that the relationships are good, people know each other and are comfortable with each other. They are able to, in an open and forthright manner, deal with issues and derive solutions.

I think that this is a more effective way of working and it has worked out well. If that were not the case and if there was an impasse, I would not hesitate to make the hard decisions.

Senator DECONCINI. Are you familiar that Mr. Fluhr who operates the EPIC has recently been to New York City and has attempted to persuade some law enforcement agencies there not to cooperate with State agencies? Has that been brought to your attention?

Mr. DOGOLOFF. No, it has not.

Senator DECONCINI. If that kind of information is brought to your attention, what kind of action would you take?

Mr. DOGOLOFF. I would immediately ask whomever he worked for, whether it be Mr. Bensinger or Mr. Chasen to investigate and to tell me what they have done with it. I am not operating the agencies, nor do I want to.

Senator DECONCINI. You are not what?

Mr. DOGOLOFF. Operating the various agencies. When problems like that come to my attention, as they have in the past, I have not hesitated to pick up the phone and call the operating official and say, "I understand this is a problem, would you please look into it and let me know." In every instance the response has been quick, appropriate and good.

Senator DECONCINI. Are you satisfied, without any disparaging remarks on any agency or director, but are you satisfied that you can always get an objective answer? Isn't it true that law enforcement, like anyone else, has some pride in defending their credibility and are reluctant to say, "Yes, Mr. Dogoloff, we are screwing up pretty bad". Aren't they more apt to come back and say, "We got to the problem," "We will resolve it", "Don't worry about it, it's not going to happen again," or "It didn't happen." What can you do and what authority would you take to satisfy yourself that EPIC indeed will distribute information, will not at the direction or nondirection of higher authority above the Director of EPIC be prohibited or give out information hostile toward either local law enforcement or cooperative efforts. What can you do besides just rely on the agency head?

Mr. DOGOLOFF. I think there is obviously a desire on the part of every agency to defend his agency and he should, in fact, defend his agency.

Senator DECONCINI. Certainly.

Mr. DOGOLOFF. There is also the notion that I believe exists within our drug enforcement agencies of a cooperative spirit, of working together and not ducking problems. For example, there was a problem last summer which involved the Coast Guard and the Drug Enforcement Administration and Customs in New York with the sighting of a vessel off the coast. A major problem of misinformation, poor communication and, in fact, going to the wrong pier, as I recall.

Before I could get into that situation, it happened, I believe, over a weekend, and by Monday morning, before the principals meeting, the five agency heads had met, had put into play a system to get everybody together, to define roles, and so forth.

That has been the spirit in which things have gone on.

If there are examples where that doesn't happen, I do not hesitate to go into it. I am not hesitant to contact, for example, the Cabinet officers directly who are their line bosses, or if that is still a problem with the Cabinet officers, I have direct access on a regular basis to the President. And he does not hesitate to get involved.

Senator DECONCINI. Have you done any of that other than just make inquiries?

Mr. DOGOLOFF. I have approached Cabinet officers on issues. They were not law enforcement issues.

Senator DECONCINI. Have you ever used your own office to pursue complaints of noncooperative efforts among law enforcement agencies.

Mr. DOGOLOFF. Yes.

Senator DECONCINI. Can you give me such an example that is not a pending matter?

Mr. DOGOLOFF. I had heard—it came out in congressional testimony of a situation—I believe it was at the Kennedy Airport, where there were some problems between Customs and DEA in that airport. I immediately got on the phone and called Bob Chasen and Peter Bensinger and they had already begun an investigation. They sent their top people up to New York and had some meetings and squared it away in a very quick and forthright way.

Senator DECONCINI. That is encouraging.

Regarding the strategy council and once the strategy is decided upon, is it your responsibility to see that the strategy is carried out by the various agencies?

Mr. DOGOLOFF. Yes, it is, it's my responsiblity to make certain that the programs which the agencies run are in keeping with the mandates of strategy.

Senator DECONCINI. In doing that, how are the principals or the strategy that is derived at the meeting transmitted and implemented on the working level, other than just going to the agency head, like Customs, and saying, "Here is the strategy, you were there, we have adopted it." How do you know it is being implemented besides what that agency head would convey to you?

Mr. DOGOLOFF. Well, in all candor, most of the problems I get involved with are on an exceptional basis. Because of the confidence I have in the strong leadership that exists in the various programs and because of their initial particpation in the preparation of that document I take in good faith that the programs they are operating are in keeping with that strategy.

I do make field visits from time to time both domestically and internationally, I speak to program people in the field, I get ideas that way. I follow congressional testimony, I meet with them on a regular basis.

Other people in my office have meetings at all staff levels and so forth, so there is a fair amount of interaction that goes on.

Senator DECONCINI. How much field input do you have? How much time do you or members of your staff have to go out and talk to local border custom agents or DEA agents that are assigned to Los Angeles or Tijuana; do you get to do that?

Mr. DOGOLOFF. I probably make around a dozen such trips a year.

Senator DECONCINI. And your staff?

Mr. DOGOLOFF. Likewise.

Senator DECONCINI. Is it your feeling that from that input you get from the street agents that there is truly a cooperative effort in the area of drug enforcement along our borders?

Mr. DOGOLOFF. I think there are some problems. However, I have been to Florida and have participated in, and observed a meeting of at least a dozen people or more in a hotel room preparing for a seizure that night which included local sheriffs, Florida marine patrol, DEA, Customs, Coast Guard—everybody together, working together on information they have, with maps and charts spread out on the bed, and so forth.

I also know that there are instances where that doesn't happen and where there are problems. I think certainly the situation, the history, and so forth, is different on the east coast, in Florida, than it is on the southwest border. I am aware of the history of your concern about that and welcome information about specific problems that need to be worked out.

I think we have a long way to go.

PROBLEMS IN NEW YORK CITY AREA

Senator DECONCINI. Just take the area of New York City, we hear complaints, and I hope these hearings will be able to either verify that they are correct or inaccurate, that the DEA involvement up there has, in fact, through their participation with funding and contractual programs, put a great deal of strain with the local law enforcement up in the New York City area on the sharing of intelligence information. The reports indicate that all intelligence on drugs now has to be passed through the Drug Enforcement Administration and consequently complaints are being made by the local law enforcement agencies about DEA agents. I really don't give a dam who makes the case as long as it is made.

In fact, if you don't take caution in your efforts in that area, you become ineffective. Your source of intelligence becomes not as accurate. Its availability and the morale goes to pot.

Have you had any similar complaints about that particular problem with the New York City Police Department in their drug effort?

Mr. DOGOLOFF. No, I haven't, and I met with the Commissioner at a meeting of all narcotic enforcement people with the IACP in San Diego several months ago, and sat next to him in a meeting, for almost 2 hours, and that did not come up as an issue.

I think it probably would if he was that concerned about it; although I think Mr. Bensinger is probably in a better position to address the specifics of that.

Senator DECONCINI. I intend to address that to him. My concern is, do you have the access to those kinds of complaints? Now, I may just get the crank calls. That is very possible, and I realize that, but we do hear from them.

I think other members of this body hear from them, too. It is not that some good cases are not made by Federal agencies, but some real concern that there is more of an effort to mandate and control the local law enforcement drug interdiction effort, rather than to cooperate with them. My concern is that someone in your office would have the same input, and I would welcome an opportunity to send some of those complaints to you if you are at all receptive.

Mr. DOGOLOFF. Yes, I would be pleased to receive those.

DOMESTIC POLICY—DRUG POLICY STAFFING

Senator DECONCINI. What is the size of your staff?

Mr. DOGOLOFF. There are six full-time persons on my staff.

Senator DECONCINI. How does that compare in size to ODAP?

Mr. DOGOLOFF. There were 10 on ODAP.

Senator DECONCINI. Who are these people? Can you give me a little background?

Mr. DOGOLOFF. Yes, our principal staff people are Richard Williams, who has a long history of involvement in law enforcement border management issues. He conducted the border management study and has worked in the Executive Office before as a military detailee and is a very valuable law enforcement expert.

Bob Angarola, who is primarily our international person, comes with experience from working with the Special Action Office. He is an attorney, has worked as legal counsel for the INCB in Geneva for 3 years, has broad international experience and international experience in the drug field as well.

Maury Devine, who is our primary person for health issues also has a background in intelligence and in law enforcement, having worked for the Drug Enforcement Administration as an intelligence analyst and worked on some of our policy reviews as well.

The other people are Mazie Pope, who the executive secretary, for the Strategy Council, and the Principals Group. She also does our congressional liaison and liaison with the public groups, and a full-time secretary and myself.

Senator DECONCINI. The question, as it has come to me, and I don't place any great credence to it, but I would appreciate your response to it, are the criticisms that the Drug Abuse Policy Office is not oriented toward enforcement enough, but rather the emphasis is placed more on the rehabilitation.

I think, quite frankly, that is extremely important also, but I do feel justified concern that the enforcement is given at least some priority before we try to handle all of this problem.

Mr. DOGOLOFF. If you look, for example, at the composition of the Principals Group, there are only two members of the seven, who are treatment people—the Secretary's representative and the head of the National Institute on Drug Abuse. We have Coast Guard, Customs, Drug Enforcement, State Department, and head of the Criminal Division in the Department of Justice, so that is five law enforcement persons. If I think about where my own personal priorities are, quite honestly, although both treatment and domestic law enforcement are very important, my own priorities have to do with international initiatives, with getting as close to the source as we can, with public awareness and beginning to shift public attitudes away from the growing social acceptance of drug use among adolescent, and so forth.

Senator DECONCINI. Maybe my concern comes from—if I am correct—on the Council you have—is it six or seven Cabinet members, is that right?

Mr. DOGOLOFF. Yes.

Senator DECONCINI. And then you have six non-Cabinet members?

Mr. DOGOLOFF. Yes.

Senator DECONCINI. How many of those members are law enforcement?

Mr. DOGOLOFF. Commissioner Pomerleau of the Baltimore City Police Department is primarily law enforcement.

Senator DECONCINI. Who else are the outside members?

Mr. DOGOLOFF. The other is Harvey Sloan, who is the ex-Mayor of Louisville. Dr. Joyce Lowinson, is a psychiatrist who operates a methadone maintenance program in New York City. Dr. David Musto who is a psychiatrist and historian and has written "The American Disease," which is probably the foremost historical drug work. He is also very interested in international activities; Vernon Jordan, who is head of the Urban League, and Dr. Milton Bryant, who is a physician. So in that sense, you are right that the public membership of the Strategy Council in fact—tilts toward health rather than law enforcement.

Senator DECONCINI. That may be where I get the feeling. I never pursued it with the couple of people who mentioned it to me, that it doesn't seem to be too concerned with law enforcement, but I think it is fair to say that grouping of people, prestigious as they are, would not lead you to any conclusion that law enforcement is their priority.

Have you given that any thought to including additional law enforcement people for their input?

Mr. DOGOLOFF. We have.

Senator DECONCINI. Can you do that yourself or does that take an executive order?

Mr. DOGOLOFF. They are Presidential appointments. We can take that as a suggestion. I do keep in contact with law enforcement officials.

As you noted, for example, at the International Narcotics Enforcement Association meeting just 2 months ago, I spent some time and renewed friendships with those people. I am particularly sensitive of my own personal background as a treatment person and, therefore, reach out to law enforcement personnel. I think I have gained credibility and acceptance within that community.

Senator DECONCINI. The problem I have, Mr. Dogoloff, is that, if this Strategy Council is setting forth a strategy to do something about the narcotic problem in this country, which obviously goes overseas, don't you find a conflict in your Council meetings, where you have only one law enforcement official, at least nongovernmental official, and probably only one Cabinet member? Don't you find conflicts as to where the emphasis should be or whether they should be enforcement, intelligence gathering and interdiction versus rehabilitation, diversion programs and other types of efforts?

Mr. DOGOLOFF. No, that hasn't been an issue. I think that all of the people on the Strategy Council would agree that we need to do more internationally, that that is where the likely payoff is going to come. We all agree that source reduction and eradication, are the most probable avenues of success. And from each of their perspectives, they really do subscribe to that position.

If you look at the Cabinet membership on the Strategy Council, the balance is clearly in favor of law enforcement.

Senator DECONCINI. Who are those? The Attorney General, of course.

Mr. DOGOLOFF. Treasury, the Attorney General, I would say OMB is obviously useful in that sense, but the only health person specifically on the Strategy Council, the only Cabinet officer——

Senator DECONCINI. Who is on it, there are seven Cabinet, you don't have to give me the name.

Mr. DOGOLOFF. I am not sure I can. It is AG, the Secretary of Treasury, the head of OMB, Secretary of State, HEW, the Administrator of VA.

Senator DECONCINI. The VA?

Mr. DOGOLOFF. Yes. That is six. And the Secretary of Defense.

Senator DECONCINI. I don't get the same feeling that you do that that is necessarily prolaw enforcement. I am not sure that is the intent of the Council. I can see only two people there that would be stringent, half stringent in the law enforcement area.

Mr. DOGOLOFF. The Secretary of State is clearly involved in supply reduction, not law enforcement specifically, but supply reduction. And HEW and VA are clearly health And DOD has both a health and law enforcement aspect to their program.

Senator DECONCINI. Enough of that.

FEDERAL GOVERNMENT'S MARIHUANA POLICY

Let me ask you a couple of other questions. Can you clarify the Federal Government's current policy regarding marihuana, both from the domestic health perspective and international enforcement?

Mr. DOGOLOFF. Yes, the position of the administration has been clear from the beginning and we discourage the use of marihuana and have undertaken a number of initiatives to support that notion.

We are primarily interested—from a health perspective and program perspective, not in the drug itself, but the behavior, in the disruption and problems it causes. So regardless of the drug, we focus on the problems. From a law enforcement perspective, we are primarily interested in the same thing that the traffickers are interested in, which is the money. To the degree that marihuana is the lucrative business that it is, it ranks very high on our priorities as a law enforcement target. Again, we talk about various degrees, and we look at unit volume of value. We have invested a lot of energy and efforts, for example, in both the financial aspects as well as the trafficking of multiton loads of marihuana, as well as multikilo loads of heroin and cocaine.

PCP CONTROL EFFORTS

Senator DECONCINI. Can you comment on the effort to control PCP manufacture and use?

Mr. DOGOLOFF. Yes, I have commented a bit in my statement about the specific initiatives, and I won't repeat that, except to say the law that was recently passed by the Congress has had real success in controlling the availability of piperdine, which is a primary precursor of the drug. Our information is that, at the retail level, it is $126, for a gallon of that substance, and since the law, in the illicit channels, it is up to something like $1,500 a gallon.

For the most part, throughout the country, we are seeing at least a leveling off of PCP use and are hopeful for a decline. There have been a number of specific initiatives which have been taken by DEA and NIDA from a health perspective has undertaken to address that issue. Just 2 weeks ago I keynoted a national conference of health professionals who were meeting in California to address the problem of PCP and to update the research and discuss what we know about it.

Senator DECONCINI. Thank you.

Have you had a time to review the GAO, some of their recommendations in their report?

Mr. DOGOLOFF. I have read the report. We are now pulling out all of the specific recommendations and are undergoing a fairly thorough review and looking particularly for what the policy implications of some of those are.

Senator DECONCINI. Will your Policy Group or your Strategy Council have an opportunity to address some of those recommendations?

Mr. DOGOLOFF. I have mailed a copy of the report to each of our public members of the Strategy Council. We will be working together. I have already discussed it with our Principals Group and we will also be working on those recommendations.

CHANGING BAIL STATUTES

Senator DECONCINI. One of those recommendations, as you will recall, I am sure, is to do something about the bail statutes as they relate to large drug traffickers?

Mr. DOGOLOFF. Yes.

Senator DECONCINI. I am just a little concerned, just about the Strategy Council, whether or not there is going to be very much support there for changing those laws based on some of the membership and just where I think they might come down on such a subject matter, because you run across the issue of people's rights in retaining them by putting the public interest first, and it is something we have to be very careful about.

Are you in the process of formulating any recommendations regarding that particular recommendation?

Mr. DOGOLOFF. Yes, we will look at that recommendation along with all the others. I am personally concerned about what is happening with the bail issue. I very much agree with the statements that appear in Mr. Bensinger's statement here today. I have heard it said that there are more people out on bail that we can't find, than there are DEA agents.

Senator DeConcini. I agree with Mr. Bensinger and I compliment him, and will, for underscoring that particular problem. I think he has brought it to the attention of a number of committees, including this Senator, on personal visits some time ago, and I have to take some responsibility myself for not seeing, at least hearings or some effort, has gone forward there, because it seems to be an awful untenable position to place law enforcement agents. Having brought it to our attention, having failed to do something about it, I only hope that with this report your office would seriously consider taking a position and supporting or recommending some legislation in the area, realizing the administration's commitments to civil rights. Many of us on the Hill here, we would welcome that positive approach and I know that from reading Mr. Bensinger's statement, it would be in line with some of his recommendations.

IMPACT OF TAX LAWS

Another recommendation regards the Internal Revenue 1976 Act, which prohibits and restrains a great deal of flow of information. I discussed this with you the other day, and I wonder if you have any comments supporting such a change in that statute in that tax act, and if you are prepared to make any recommendations from the administration or yourself.

Mr. Dogoloff. We would like to look at your language. I have already alerted the Office of Management and Budget Legislative affairs people that we will be receiving some draft language from you and have asked them to alert the agencies for a quick turnaround time on an administration position. I support the notion that it clearly is a problem for law enforcement. We have now had almost 2 years to live with those provisions, and I think it is quite timely that we look at it again and see what the experience has been.

I think that from a law enforcement perspective, the experience is clear and the notion is clear. Before giving an Administration position, I think it only fair and appropriate to get an IRS and Treasury opinion.

Senator DeConcini. I agree.

Mr. Dogoloff. I would like to look at the specific language.

Senator DeConcini. I have the language and I will give it to you right now. This is an amendment which I will be offering to the windfall profits tax bill when it comes up today and next week. We would welcome any critique that you might have of that language and any support you might want to give.

DE FEO REPORT

I could go on and on, Mr. Dogoloff, and I will submit some written questions which you will have ample time to respond to. Let me ask you one other question. Are you familiar with what is known as the DeFeo report regarding the DEA?

Mr. Dogoloff. I am sorry?

Senator DECONCINI. Capital D-e, capital F-e-o, an attorney in the Justice Department, one of the strike forces did a report—I believe it was back in 1976—regarding the DEA. Have you ever heard of that report?

Mr. DOGOLOFF. No, I am not familiar with it by name.

Senator DECONCINI. Could I call it to your attention? I believe you may be able to get a copy of it, I can't seem to get a copy of it from the Justice Department. I would feel extremely comfortable if someone took a critical look at that report from the standpoint of what has been done to correct what I believe are some very serious problems that are pointed out in that report.

I hope to get a copy of it sooner or later. We don't seem to have the access that we would like to.

Once you do get it, I am sure you can get it with the mandate and authority you have from the President, I would sure appreciate a briefing from you, or someone from your office, telling us what it involves, correcting any misinformation I may have regarding it. I think I know what is involved in it because I have seen some parts of it, what I am really concerned about is whether or not there have been corrective measures. I have got to believe there are, but I would sure like to know. What I would really like to know is whether or not there is a report that has followed that report making any determinations of what has been done to correct the supposed problems in the DEA.

CLOSING REMARKS

I want to thank you very much for your time and your effort and compliment your office for what is certainly a valid attempt to get a handle on this.

I can only say I would certainly be supportive of a most stepped up effort on your part from the standpoint of cooperative effort among our law enforcement agents. I realize the need to work with the agency heads and rely on their judgment and credibility, but I urge you to be sure that is getting down past just the agency heads. It is so easy, time and time again it has proven—two chiefs of police, and a sheriff or chief of police, and a prosecutor have a great rapport and yet when it gets to the street level, the rivalries are always there.

You seem to have that authority vested in you by the President of the United States. I only urge and hope that you will use it and use it forcefully, if necessary.

Mr. DOGOLOFF. Thank you.

Senator DECONCINI. Thank you very much.

Our next witnesses are Mr. Peter B. Bensinger, Administrator of the Drug Enforcement Administration, and Mr. Alexander Williams III, Chief, Narcotic and Dangerous Drug Section, Criminal Division, Department of Justice.

PREPARED STATEMENT

Thank you for being with us. I am going to ask you both to give your statements first. Any printed statements will be printed in the record.

[The statement follows:]

STATEMENT OF ALEXANDER H. WILLIAMS, III

I am honored by the opportunity to appear today in behalf of the Attorney General and the Acting Deputy Attorney General to present testimony concerning the General Accounting Office's report entitled "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes."

Administrator Bensinger has provided the view of the Drug Enforcement Administration. I am charged with providing the views and comments of the prosecution side of the Department of Justice, including the Criminal Division and the United States Attorneys. It is my understanding, from the Chairman's letter of invitation, that this Committee may at a future date wish separately to seek the views of the Federal Bureau of Investigation and the Immigration and Naturalization Service.

The report includes, at pages 185-205, a letter from the Assistant Attorney General for Administration, dated August 2, 1979, commenting on the then draft of the report. Those comments set forth the overall Departmental view of the report as it then existed, and are a matter of record here. Today, I wish to focus on matters of particular concern to the prosecution community and to provide clarification and updates on relevant points.

I am particularly pleased to be able to address these matters in view of my present and immediately previous responsibilities. As Chief of the Narcotic and Dangerous Drug Section of the Criminal Division, I am responsible for supporting, and where necessary, supplementing the narcotics prosecution efforts of the United States Attorneys. Section Attorneys are in daily contact with prosecutors in all parts of the country. We therefore have knowledge of their problems and their successes.

Before assuming my present position in April of this year, I was for four years an Assistant United States Attorney for the Central District of California in Los Angeles. The bulk of my prosecution caseload during that period of time was narcotics cases. For the last two years of that period, I was Chief of the Controlled Substance Unit in that office. In that capacity, I was responsible for day to day working relations with the Western Regional Office of DEA and with the approximately one hundred special agents and other personnel in the DEA Los Angeles District Office. Additionally, I had frequent contact with supervisors and agents of the FBI, IRS, and Customs Service and with state and local enforcement and prosecution officials having narcotics responsibilities. The United States Attorney and I, along with the Regional Director of DEA, were active participants in the Law Enforcement Organization (LEO) of federal, state and local narcotics enforcement agencies.

When Assistant Attorney General Philip Heymann offered my current position, I came to it with the resolve that the lessons learned by prosecutors in offices and courtrooms around this country should be brought to bear in Washington and have a beneficial systemic impact on the way the federal establishment investigates and prosecutes narcotics violators. It is that same resolve that brings me before this committee today.

As this committee notes in its invitation to the Department to appear today, the GAO Report finds a lack of overall authority and policy direction within the federal Government among the various agencies having responsibilities in the drug control area. We respectfully submit that this conclusion overlooks current structures and growing trends in the federal community at large and in the narcotics prosecution community in particular. This can be best shown by a brief discussion of the role that the Department of

Justice plays in the federal effort against illegal drug trafficking.

The Strategy Council on Drug Abuse, of which the Attorney General is a member, is charged by statute with preparing the federal strategy for controlling the availability and use of drugs. The Executive Director of the Council is the Associate Director for Drug Abuse Policy on the White House Domestic Policy Staff. The Strategy Council's annual Federal Strategy Document is reviewed closely in the Department and serves an important function in the allocation of Departmental enforcement resources.

The Strategy Council is supported by a "Principals Group," which includes the Administrator of the Drug Enforcement Administration and the Assistant Attorney General in charge of the Criminal Division. This arrangement affords continuing high level review of all aspects of federal drug-related activities and problems. The above mentioned Associate Director also chairs this group.

Within the Department of Justice, the Deputy Attorney General is responsible for the Department's criminal law enforcement activities. In the area of drug abuse, these include primarily the operations of the Criminal Division, the United States Attorneys, the Drug Enforcement Administration and, to some extent, the Federal Bureau of Investigation. Administrator Bensinger is here to discuss with you the activities and responsibilities of DEA. I wish to complement his presentation with a discussion of federal prosecution of drug offenses.

The Criminal Division and the United States Attorneys share responsibility for prosecution of criminal offenses under the Controlled Substances Act and similar statutes. The Department is committed to reposing principal responsibility for narcotics prosecutions with the United States

Attorneys, who have the insight and sensitivity to best apply federal resources to the criminal problems, including drug abuse problems, of their particular localities. However, the Criminal Division retains responsibility for the integration of prosecution and enforcement activities in federal courts throughout the United States. With regard to drug trafficking prosecutions, this responsibility lies with the Division's Narcotic and Dangerous Drug Section.

The goal of the Narcotic and Dangerous Drug Section, simply stated, is to enhance the quality and impact of federal narcotics prosecutions. In this regard, the mission of the Section is threefold--operations, policy, and support. Our operational role calls for us to provide attorneys when requested by the United States Attorneys to conduct or assist in major drug trafficker prosecutions. Our capabilities in this regard are limited by our small staff, but we currently have several attorneys involved in investigations and trials in the Southern District of Florida and in several other jurisdictions. Our policy responsibility includes advising the Department on matters of legislation and policy impacting on drug prosecutions.

Our support role is one which we are currently pursuing with great energy. We maintain an overview of the nationwide narcotics prosecution picture. Based upon this overview, we have identified areas of specialized expertise, including matters of both substance and procedure, in which we should establish ourselves as a source of advice and support for the United States Attorneys. Section personnel are variously developing expertise in such areas as financial investigation, high seas seizures, airport trafficking, clandestine manufacturing laboratories, and evidence gathering overseas. We also recognize that the great bulk of the expertise in the federal prosecutorial establishment lies in the offices of the United States Attorneys. We continually identify sources of information and advice in the field, and make this information available to prosecutors around the country.

A principal vehicle of this communication is the NARCOTICS NEWSLETTER, which the Section commenced publishing in July, 1979. We see this publication as having a unique and integrating impact on the government's narcotics investigation and prosecution efforts. It is published monthly and sent to all United States Attorneys and Organized Crime Strike Forces and to all DEA offices, domestic and foreign. It includes recent developments in the law that affect investigations and prosecutions, because a legal problem for an agent will ultimately be a legal problem for a prosecutor, and it is better to learn the lesson earlier than later. The NEWSLETTER also highlights major prosecutions, particularly those that feature a unique or innovative investigation or prosecution technique, or a special legal difficulty, the discussion of which may be of value to the prosecution community as a whole. The NEWSLETTER has been well received in the federal enforcement community as a unifying factor in the combined efforts of agents and prosecutors against drug traffickers. The distribution list is steadily growing. We respectfully submit that, within the area of narcotics prosecutions, this is the kind of integrating and coordinating effort that the GAO Report urges.

It should be noted that narcotics cases currently represent approximately 25 percent of the federal criminal caseload. This volume can only be borne by the United States Attorneys. At the same time, this percentage reflects the importance of the mission of the Narcotic Section in support of drug trafficking prosecutions around the country.

We must be broad in our support focus. Trafficking is by definition a mobile activity. Violators often seek parts of the country where their activities are less likely to be detected. Thus we are seeing major drug investigations focus on violators in some of the smaller and more remote districts. It is the duty of the Criminal Division, through the Narcotic and Dangerous Drug Section, to assure that all United States Attorneys have the full benefit of the collective expertise of the Department of Justice when going into court against major drug traffickers.

At the same time, we have a special responsibility to and for the Major Drug Trafficker Prosecution Units (MDTPU's). These units, originally referred to as Controlled Substance Units, were founded by the Department in 1975 to help institutionalize and develop narcotics prosecution expertise in major United States Attorneys' offices. As the GAO report notes, this program has had an uneven development. However, I suggest that much of the report's discussion misses the critical point. What is essential is not what a unit is called, or how it is particularly staffed, but whether the United States Attorney uses the unit to develop and maintain a sophisticated and successful narcotics prosecution program in his or her district. In general, the units are meeting this need. I can state from my personal experience as Chief of the Unit in Los Angeles that the program provides Assistant United States Attorneys with a specialized relationship with the Criminal Division and with DEA that does, when properly implemented, enhance the impact of narcotics prosecutions.

The GAO suggestion that further departmental control be imposed upon the units must be approached carefully. First of all, the approximately 85 prosecutors in the units are Assistant United States Attorneys, each answerable to his or her United States Attorney.

It must be realized that to some extent the United States Attorneys' offices are "laboratories" wherein varying approaches to the criminal justice problems of this country can be devised and implemented. The Criminal Division in Washington does not seek to impose arbitrary formulas upon the United States Attorneys, but learns from their various efforts and provides guidance where appropriate.

We have had recent success in this regard. After attending the most recent major drug trafficker prosecution conference (sponsored in part by NDDS and DEA) in Boston in August, an Assistant United States Attorney from the Eastern District of Virginia persuaded his office to establish a Controlled Substance Unit. We are fostering a particularly creative relationship with that office, and are pleased to see this development.

It should also be noted that we draw upon the units for support in narcotics prosecution matters. Deputy Assistant Attorney General Irvin Nathan has established a Narcotics Advisory Committee to advise the Department in general and the Criminal Division in particular on matters pertaining to narcotics prosecutions. This committee is made up of senior prosecutors from around the country, all of whom have been involved with the Major Drug Trafficker program. In this area as in others, we recognize that there is a wealth of valuable experience in the offices of the United States Attorneys, and it is our duty to identify it and share it with the prosecution community at large. This theme highlights our approach to the MDTPU's and indeed, to all the United States Attorneys.

The Narcotic and Dangerous Drug Section will continue to support and monitor the units and will recommend any needed action to improve or eliminate those that do not perform well.

Various portions of the GAO report discuss the perceived failure to adequately bring the resources of the Customs Service (and the Bank Secrecy Act for which it bears primary responsibility), the Internal Revenue Service (and the tax laws) and the Federal Bureau of Investigation (and its financial investigative expertise) to bear against narcotics traffickers. Administrator Bensinger can advise you of the efforts DEA has taken to develop better relations with these agencies. I am pleased to report that there have been significant developments toward this goal within the prosecution community.

Two years ago in Minneapolis, the joint efforts of DEA and Customs agents and an Assistant United States Attorney, in an investigation of a hashish smuggling operation out of India, led to the prosecution of narcotics traffickers for narcotics and customs (currency) violations. As a result, the three principal defendants each received a substantial jail term and a $500,000 fine (as provided in the Bank Secrecy Act.)

Recently in Los Angeles, a DEA agent, an IRS agent, and an Assistant United States Attorney, after a year of daily collaboration, secured an indictment which included counts alleging narcotics trafficking by several individuals and counts alleging evasion of income tax laws by the principal defendant. The evidence at trial was devastating. The information as to narcotics trafficking supported the charge of tax evasion, in that it showed the illegal source of enormous income. Likewise, the evidence of tax evasion enhanced the impact of the narcotics trafficking evidence. As a result, the defendants were convicted, and the lead defendant was sentenced to seventeen years in prison. Additionally, the combined application of narcotics law and tax law provisions completely deprived the principal defendant of the financial benefits of his years of narcotics trafficking.

Also in Los Angeles, an Assistant United States Attorney (and Chief of the Controlled Substance Unit), when presented with an enormous heroin trafficking organization that DEA had identified and worked on for several years, brought in Customs and IRS agents and orchestrated a joint investigation that lasted another year. As a consequence, in August of this year, twenty-two persons were indicted and charged variously with violations of federal laws pertaining to narcotics trafficking, currency reporting, and income tax evasion. This investigation, utilizing the combined special talents of the various agencies, established that this conspiracy had derived profits in excess of 27 million dollars from narcotics trafficking over the past several years. All defendants at bar pleaded guilty rather than go to trial against these arrayed Government forces. In the process, the principal defendant admitted violation of the Continuing Criminal Enterprise statute (which carries a mandatory minimum ten year prison sentence), currency violations (of the Bank Secrecy Act) and income tax evasion (alleged in the indictment to pertain to income in excess of $13 million dollars).

These cases represent landmark developments in narcotics prosecutions. The Narcotic and Dangerous Drug Section is working with DEA to make sure that the lessons learned and techniques developed in these prosecutions are made known to all prosecutors and agents. The cases have been highlighted in the NARCOTICS NEWSLETTER. Attorneys and agents involved in these cases will participate in the 11th Major Drug Trafficker Prosecution Conference, sponsored jointly by DEA, the Criminal Division and the Executive Office for United States Attorneys, which will be held in Los Angeles in December. The conference will showcase the procedures and techniques utilized in these prosecutions. The conference attendees will include Assistant United States Attorneys and DEA agents from around the country.

This is not to suggest that there are no problems in the area of cooperative investigation. We concur with the GAO recommendation that there be a careful assessment of the extent to which the tax disclosure restrictions might adversely impact upon narcotics investigations and prosecutions. As Comptroller General Staats stated when he appeared before this subcommittee on October 25, it is clear that these restrictions are perceived as impediments to investigations and prosecutions. We offer the examples above to show that, in certain circumstances, with enormous effort consuming much time, agents and prosecutors have been able to develop joint narcotics and tax prosecutions. We intend to maximize this capability, but we do not mean to imply that there are no problems that might warrant legislative attention.

Mention is also made in the GAO report of the DEA-FBI task forces and other involvements of the FBI in narcotics investigations and prosecutions. I can supplement the information provided in the report and by Administrator Bensinger with evidence of practical cooperation in the prosecutorial arena.

The report notes the participation of two (now three) Narcotic Section Attorneys in a major RICO-CCE prosecution associated with the DEA-FBI BANCO group in Miami. That case is currently in trial. For that reason, my comments must be limited, but we are proud of the extent to which sophisticated joint financial investigation has contributed to this case.

Additionally, a trial is now underway in the Central District of California wherein the defendants are charged with violation of the RICO statute in the operation of a putatively legitimate drug distribution company. The case was developed by the DEA-FBI task force, which is headed by a DEA group supervisor. The principal case agent is an FBI Special Agent. The NARCOTICS NEWSLETTER has already highlighted these cases, including, as is the practice, the names and telephone numbers of the responsible attorneys and agents. We expect to present them at a future narcotics conspiracy conference.

Important cooperation is also being effected among prosecutors and agencies here in Washington. A Narcotic Section Attorney has been assigned primary responsibility for identifying and developing expertise in financial investigations. He has become a regular participant in meetings at the headquarters of both DEA and the Customs Service. He has travelled at Customs Service invitation and expense to lecture Customs agents on the impact that their financial investigative activities can have on narcotics prosecutions. At the same time, he is a regular participant with and counselor to the DEA financial investigations unit that was recently established by the Administrator. These interagency efforts have already produced two draft documents of guidance to narcotics agents and prosecutors regarding the Bank Secrecy Act and Title 21 forfeitures.

Another example of interagency coordination is in high seas cases. The interception and disposition of a ship carrying a load of marihuana from Colombia, for example, involves the Coast Guard, the Customs Service, the Immigration and Naturalization Service, the State Department, and the Drug Enforcement Administration. Such efforts require extensive coordination. With this in mind, representatives of DEA and the Narcotic Section are conducting an ongoing series of meetings with representatives of these other agencies, to assure that the best possible evidentiary product is made available for prosecutions in courts of the United States.

The foregoing cases and examples illustrate a critical element in successful major drug prosecutions--the role of the prosecutor. We recognize our obligation to ensure that the efforts put forth by the various investigative agencies, particularly DEA, are supported and assisted by prosecutors who, in turn, have the best support possible from Washington. Moreover, just as a good prosecutor is elemental to the success of a particular case, so also is informed prosecutorial input necessary for a successful nationwide program. The Criminal Division is resolved to provide this input.

With regard to prosecutions abroad, we agree that the Janus Program, whereby DEA has labored to encourage prosecutions in Mexico of Mexican nationals who have committed narcotics offenses impacting upon the United States, should have better support from the prosecution community. We believe that the program can be rendered more effective with the involvement of prosecutors. Indeed, before this recommendation was made, the Narcotic Section assigned a staff attorney (who is fluent in Spanish) to coordinate with DEA in support of the Janus Program.

Narcotics is an international business; contraband comes from overseas, and evidence, witnesses and money are often located overseas. The importance of gathering evidence abroad in support of domestic prosecutions is becoming increasingly obvious.

The GAO believes that the prospects for improvement in the efforts to seek extradition of drug traffickers and in obtaining evidence from abroad are not encouraging. We do not share this view. Criminal Division attorneys from the Office of International Affairs and the Narcotic Section participated in the negotiation of the recently completed treaties on extradition and mutual assistance with the government of Colombia. The extradition treaty provides that each of the contracting parties will not refuse to extradite its own nationals, in certain cases, if the request for extradition meets the treaty requirements in all respects. We are not unmindful of other hindering factors in the extradition process, but we do believe this to be a positive step and a good omen for improvement not only with the Government of Colombia but perhaps with other important countries as well.

In the area of mutual assistance treaties, we believe that there are also encouraging prospects. We have recently signed a treaty on mutual assistance and extradition with the Government of Turkey. We have successfully concluded negotiations on a mutual assistance treaty with Colombia and are continuing such negotiations with the Dutch. The proposed texts of these treaties provide for more direct involvement of the Department of Justice. Indeed, the Attorney General will be the cognizant authority to respond to requests made pursuant to the treaties. By thus streamlining the process, the treaties will operate more efficiently and more effectively.

Differences among legal systems around the world assure that there will always be hinderances in the process of evidence gathering abroad. We do believe, however, that the results of these efforts seeking the cooperation of other countries warrant the conclusion that prospects for improvement are quite encouraging.

We are giving increased emphasis to this area of investigative and prosecutive effort. A panel including representatives of DEA Headquarters, the United States Attorneys, the Narcotic Section and the Office of International Affairs will spearhead a discussion of evidence gathering abroad at the next drug trafficker conference for Assistant United States Attorneys and Special Agents of the Drug Enforcement Administration.

The report calls for a worldwide commitment to the effort to stem the flow of illegal narcotics. The Department of Justice endorses this in principle and practice. Our concerns have been underscored by recent evidence that we are facing a renewed influx of high purity heroin from the Middle East via Europe. The Criminal Division and DEA have resolved to anticipate and address this problem with a high degree of coordination and planning.

There is one area in which I believe the GAO report widely misses the mark. The report concludes that there is insufficient dedication and commitment to the utilization of conspiracy laws to immobilize major drug traffickers. This is simply not the fact. The conspiracy laws of the United States are the preferred prosecutorial vehicle among prosecutors and agents alike. It is universally accepted that we should not prosecute one defendant on substantive counts alone if we can build a conspiracy case.

The figures in the Report at page 18 are not accurate. The Executive Office for United States Attorneys has advised that, during calendar year 1978, approximately 1800 defendants in 842 cases were charged in federal court with drug conspiracy violations. This is a sizeable number. At the same time, it must be recognized that there is a place in the Federal prosecutorial program for non-conspiracy cases. Simple "buy busts" and importations may be important to prosecute for a number of reasons. The sheer quanity of the controlled substance involved may identify the person as a significant violator. If the defendant receives an appropriate sentence, it matters not which statute was used. Also, simple cases are often the beginning of more complex ones. Defendants in such cases sometimes decide to cooperate with the forces of justice and become witnesses and sources of information. Considerations of economy and efficiency also pertain. Investigation and prosecution resources are limited, and should be focused on a given case only so long as the facts warrant. However, none of this should be seen as a lack of commitment to identifying and immobilizing narcotics conspiracies.

The GAO calls for Governmental action with regard to bail and sentencing in narcotics cases. We concur. On the question of bail, the report stresses the need to prevent individuals arrested for trafficking offenses from continuing to deal in drugs while on bail awaiting trial. This problem

does exist, but a greater problem is the failure of the system to assure that defendants will appear for trial and sentencing. There is a high fugitive rate in narcotics cases. Prosecutors on the Narcotics Advisory Committee report that the present Bail Reform Act provides appropriate factors for judicial consideration, but that sometimes they are not prudently applied. This difficulty, together with the obvious concerns about not improperly restricting the liberty of persons presumed innocent until convicted, causes us to move carefully in this area. Departmental representatives are studying the matter of how to develop legally sound bail provisions that will assure presence at trial.

On the question of sentencing, the Department has consistently supported sentencing guideline legislation. In connection with the proposed new Federal Criminal Code, former Attorney General Bell, Attorney General Civiletti and Assistant Attorney General Heymann have all endorsed sentencing guidelines. Such arrangements would go far to remedy some of the wide disparities in the sentencing of narcotics offenders.

The Department of Justice strongly supports federal-state-local cooperation in narcotics law enforcement. Most controlled substance violations are matters of concurrent state and federal jurisdiction. Therefore, it is common to find state and local law enforcment officers participating in cases tried in federal court. Conversely, many joint federal and state investigative efforts have contributed to important state prosecutions. Federal prosecutors around the country work closely with their counterparts in the state systems. There are variations among federal and state substantive and procedural provisions of law. This encourages prosecutors on both sides to look for the most appropriate jurisdiction under which to prosecute narcotics traffickers.

One possible approach to cooperation between federal and local authorities is the cross-designation of prosecutors. For example, a local prosecutor may be authorized to try a case in Federal Court; conversely, an Assistant United States Attorney may be designated as a local prosecutor in state court. This system has met with some success in two federal districts. It may enable federal and local prosecutors to pool resources to try singificant defendants in a particular community.

On the policy level, the Department encourages United States Attorneys to establish and develop federal-state law enforcement committees in their jurisdictions. Currently, the Department of Justice, the National District Attorneys Association and the National Association of State Attorneys General are in the process of developing an executive working group which would support the efforts of the law enforcment committees and other forms of inter-governmental cooperation. The proposed bylaws of this executive committee would establish a special panel at the outset to devote itself to the problems posed by the prosecution of controlled substance cases.

The Narcotic and Dangerous Drug Section's monthly NEWSLETTER is sent to the National District Attorneys Association. The Criminal Division assists in securing the extradition of overseas narcotics offenders to stand trial in both state and federal courts. In extraordinary local drug prosecutions, the Department makes available, on a reimbursable basis, the Witness Protection Program, whereby critically important witnesses are provided new identities and safe locations. Last year, there were approximately a dozen such relocations of state and local witnesses.

This year, the Department of Justice Appropriations Act for fiscal 1980 provides for up to five million dollars in funds for state and local organizations which are developing and sharing information essential to successful drug enforcement efforts.

In short, the common interest which both federal and state authorities have in stemming the flow of dangerous drugs has served as an effective catalyst for a considerable amount of cooperation among federal and state prosecutors and investigators. Problems remain in coordinating these efforts, but we hope to improve this cooperation and to utilize the lessons we have learned from cooperative drug enforcement efforts along a broad range of federal, state and local law enforcement efforts.

In conclusion, I respectfully submit that while the GAO report makes important contributions to the analysis of where we stand and where we should go in our national efforts to address the narcotics trafficking problem, there are important clarifications and significant recent developments that must be taken into account. I hope that I have imparted some sense of these factors today. Reflecting on the title of the report, I suggest that while gains have been made in controlling illegal drugs, and while the trade does yet flourish, there are also important developments underway in the Department of Justice that represent steps in the right direction and give reason to expect significant improvements in the near future.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you may have.

Senator DeConcini. The record will also be left open for any cor tions or additions you care to put in, and then I have some questions

Mr. Williams, if you would please begin, since I understand that y are representing the Department's position.

SUMMARY STATEMENT OF ALEXANDER H. WILLIAMS

Mr. Williams. Good morning, Senator. It is a pleasure to be here behalf of the Attorney General and Acting Deputy Attorney General

I have prepared remarks for the record, and I wish to offer them the record. I do invite the committee's attention to this material beca I have taken great pains therein to recite an aspect of the Federal d effort that to me, of course, is particularly important, and it may not fully stated on the record, either in the GAO report or from ot sources, and that is the world of prosecution.

I do come here behind the letter of the Assistant Attorney Gene for Administration which is in the report and does cover some gene departmental positions. As I state in my remarks, I come with the p ticular perspective of updating the report, clarifying the report a advising the committee where, from my point of view, the Departme of Justice is going, hand in hand between prosecutors and DEA, a addressing these very serious problems this committee is looking at.

At the outset, I can state that the Department endorses and applau the attention the GAO has brought to this particular area. It is i portant, and we are pleased to see this kind of interest in the kind very difficult work the DEA agents are trying to accomplish in offic and courtrooms of this country.

My concern stems from my position as Chief of the Narcotic a Dangerous Drug Section in the Criminal Division. I am the senior pe son with sole narcotics responsibility in the Department's prosecuti end, as is Mr. Bensinger the senior enforcement official in the ent Federal effort.

LOS ANGELES DRUG PROSECUTION EXPERIENCE

In that connection, I also come here having been a local prosecutor, prosecutor in the U.S. attorney's office in Los Angeles for 4 years. that capacity I was chief of the narcotics unit, controlled substance un for the last 2 of those 4 years. In that capacity, I had daily meetin with any number of the hundred or so DEA special agents in the L Angeles district office. I met regularly with their special agents a assistant special agents in charge and with the regional and depu regional director. I had almost daily contact with the district attorne office for the county of Los Angeles, 500 State and local prosecuto and with the city attorney's office, our counterpart attorneys and t law enforcement agencies that they represented.

One of the lawyers working with me in the controlled substance un worked with the airport group. The airport group included groups fro DEA, Customs, and INS, the Los Angeles sheriff and Los Angel Police Department. So I know where the report comes from, and this the essential message that I wish to bring to this committee today.

APPLYING LOS ANGELES EXPERIENCE IN WASHINGTON

It has occurred to me as a prosecutor in the courtrooms of this country that there are a lot of lessons that should be derived from that experience and brought to bear on the way the Federal Government approaches the narcotics problem. That is why I was happy to receive the opportunity from Assistant Attorney General Phil Heymann about 6 months ago to come back to Washington, and to have a chance to try, in partnership with the other important agencies in this business, to impart some sort of systemic change and systemic progress to the way we go about this business.

I am here today to tell you I recognize the problems, but the Department strongly feels that progress is being made.

We do have a variety of responsibilities. The committee has a variety of interests, and I believe Mr. Dogoloff has already spoken to them, so I will not repeat those parts of my remarks, and speak to his supervision, which is supported by the Department of Justice in all parameters of overall Federal interest.

The Attorney General is a member of the Strategy Council. The Assistant Attorney General is a member of the Principals Group and we take these duties seriously.

UNIT TO ENHANCE QUALITY OF DRUG PROSECUTIONS

Within the Department of Justice, I head a section that has a very simple mission and that is, to enhance the quality and impact of Federal narcotics prosecutions.

I invite you to reflect upon the position of the prosecutors, not a position with which the Senator is unfamiliar. The prosecutor in some way is the end of the rainbow. We talk about narcotics coming from overseas and our presence overseas to interdict it, get intelligence about it, evidence about it. Then it gets to our country, and if we don't interdict, ultimately it is going to wind up in the courtrooms of this country. And the prosecutor is looking for one thing, he is looking for evidence, evidence derived from wherever, as long as it is admissible.

In the course of narcotic cases, as I outlined in my statement, that evidence should come primarily from DEA. But the natural roles of various of the Federal agencies also put them in a position of evidence gathering, be it the Immigration Service, the Customs Service, the State Department sometimes, and the FBI and other agencies. Therefore, the prosecutor is in a unique position to do exactly what this GAO report calls for, to try to impose unity, coordination, sohpistication, guidance, purpose, and mission. That is the position I come from and that, I suggest to you, is what is happening.

It is happening increasingly and it is my job to make sure if it happens in one place, we learn that lesson and make it happen everywhere.

SUPPORT OF U.S. ATTORNEYS ROLE

Our major role is to support the U.S. attorneys. We find out what they are doing and we help them do it. I only have 24 lawyers on my staff, but 4 of them are this day in courtrooms in the southern district of Florida. Several others are in courtrooms around the country.

But we want to do things in Washington that local prosecutors cannot do. So we seek to unify and to coordinate, and our principal vehicle in this area is something we call the Narcotics Newsletter. I mentioned this in my report, and I have copies here. I stress it because it is a unique vehicle. It is not just a chatter sheet, not just an update of "Who's Who" and "Where's Where." It is a monthly operations-oriented vehicle. It tells prosecutors sitting in their own offices, with their own problems and their own responsibilities, of the ways that various of their peers around this country, and the agents that work with them around this country, have addressed the narcotics problem successfully.

We quite literally on sometimes a 2-week turnaround basis report developments in the law that could make a difference, that very morning or that very afternoon, in a courtroom somewhere, whether or not someone who deserves to go to jail goes to jail. So we stress it.

I am pleased to say it goes to all offices, of the U.S. attorneys and all offices of DEA. I have had special agents from halfway around the world and Europe tell me they enjoy reading it and enjoy finding out what is going on. One guy pointed out that it will help him in his enforcement responsibilities when he comes back to the United States.

So I suggest to you, in the narcotics arena, we are trying to do in the Department of Justice what any good law firm would do; that is, to make sure the experience of any one attorney or any operative becomes the experience of all, becomes the lesson of all, becomes the expertise of all, and becomes the effect and impact of all.

MAJOR DRUG TRAFFICKERS PROSECUTION UNITS

Turning to other parts of the report, the report mentions the major drug traffickers prosecution units, which I have direct responsibility to supervise. Again, I come from that background. I have seen it from the other side and I can't overstate the importance of that lesson as I try to guide the energies of the Department in this arena.

The units are there to assist the U.S. attorney in developing and maintaining a sophisticated, successful narcotics prosecution program. And I think the GAO report, to some extent, misses the mark. As I spoke to GAO evaluators in my capacity in Los Angeles a couple of years ago at the beginning of this report time, I tried to stress that to them, and to the other various evaluations that have been made, that you cannot evaluate a program by technical assessments of years of expertise, focus on the types of cases, or focus on the types of attorneys addressed, because narcotics, and any prosecution business, is more complicated than a matter of numbers, ages, and dates.

RECENT ACCOMPLISHMENTS

What matters is, are you getting the job done? And around this country, some very important things are being done. Various of the U.S. attorneys have very sophisticated efforts that are underway. The eastern and southern districts of New York are almost legendary for their efforts. Arizona, too has effective units in both Phoenix and Tucson. The same is true in various other districts around the country.

These prosecutors do something worthy, and I know the hours they work, because I have been in those hours and my family has seen those hours. They work and do a marvelous job, and then have to turn around and go after somebody else, one by one by one.

EXCHANGE OF EXPERIENCES

For a long time it was our fear and our feeling that all too often the lessons they learned didn't become somebody else's experience. It is our job to find out what they do and let the rest of the people know and use our training conferences—and we have one coming up in a month in Los Angeles—to make sure if we learn it one place, we won't have to learn it again the hard way in another district on another day.

This is a two-way street. We do provide guidance to these units. We do draw from the units. Deputy Assistant Attorney General Nathan, for whom I work, has put together a Narcotics Advisory Committee, from candidates I submitted to him, senior prosecutors from around the country, and they all say, "Gee, for the first time we are being asked what we think ought to be done instead of being told what Washington thinks ought to be done." It is a two-way street; it goes both ways.

I have taken pains in my testimony to identify for the committee instances of very recent—I mean within the last 1 or 2 weeks, in some cases, and certainly within the last month in several cases, very recent significant successes of the type the GAO report looks to—success in the implementation of the Bank Secrecy Act, success in the implementation of IRS provisions, success in utilization of the FBI, DEA, and Customs agents together in interdicting and putting traffickers in jail.

My remarks detail those cases. I point out we have in Minnesota a case where three defendants each got half-a-million-dollar fines.

We have two other cases that just happened in Los Angeles, where the chief of the unit has made a special effort to incorporate the IRS into enforcement activities in that district. We have situations where a joint IRS tax and narcotics indictment were brought. It was brought consistent with the guidelines and requirements of the law. It is difficult to do.

My point in my statement is, I am not here to tell you that it is easy or that the legislative picture is necessarily as it should be in the area of the IRS. All I want the committee to know is that with extraordinary effort, with DEA agents, assistant U.S. attorneys, and IRS agents, been able to work in isolated, extraordinary cases. We will try to learn what we can from that.

For instance, when we put on the Narcotics Conspiracy Conference in Boston earlier this year, we presented representatives from IRS headquarters and the Tax Division to discuss how one does these cases. Assistant U.S. attorneys and DEA agents still expressed cynicism. At the next conference, I am going to be able to show them agents and attorneys from all three agencies and attorneys from the U.S. attorney's office who did it.

So at least we will have a better chance of showing it can be done.

We have, at the same time, endorsed the GAO proposal, along with the Administrator, that a careful look be taken at the impact of the tax restrictions on effective enforcement of the law. We do see these, though, as landmark developments in prosecutions.

JOINT DEA-FBI TASK FORCES BEING USED

We also note that DEA–FBI task forces are being used. There are two cases in trial today, one in Florida and one in Los Angeles, that involve active cooperation between those two agencies, and we will be happy to report those results when they come out.

Here in Washington, various of my attorneys are identifying expertise, finding it in the agencies, going to DEA and saying, "What can we learn?"; going to Customs and saying, "What can we learn"?—building a product. That product now includes at least two draft documents of guidance that have been compiled jointly with DEA's financial investigation units, attorneys from my staff, and representatives of the Customs Service.

At long last, it seems like we are all in the same game going after the same people, and there is excitement in it.

I have talked to agents from various agencies who are frustrated by their own procedures, and they are happy to be back in with DEA, putting narcotics violators in jail. It takes a galvanizing, energetic prosecutor. It is my job to make sure those people are available and they do that job.

OVERSEAS PROSECUTIONS

We have addressed ourselves in our remarks to the areas of prosecution abroad. I will not speak at great length to it except to note the fact that we are looking at a problem, a problem with Near East Asia. I met with agents and State Department people over there. I have spoken with Assistant Secretary Falco and Mr. Bensinger concerning the Department's desire to be proactive and creative in this arena, to anticipate and address the problem instead of waiting for it to hit the courthouse steps.

We are working on that together with a very high degree of cooperation.

Assistant Attorney General Heymann this year put together an Office of International Affairs within the Criminal Division. Under those auspices, one of their attorneys and two attorneys from my staff worked side by side on the extradition treaties with Colombia and other ongoing extradition treaties.

We are seeing progress in that arena.

As I say in my remarks, the GAO report misses that point.

GAO REPORT FIGURES ON CONSPIRACY PROSECUTION

The GAO report makes one serious mistake. It states that DEA agents and prosecutors underutilize or do not utilize the conspiracy statutes. That is simply not the fact. The figures they state on page 18 of the report are wrong. I am not sure where they were derived from. We have submitted figures in my remarks and DEA is aware of these, also.

In 1978, we had 1,800 defendants in 842 separate cases charged with conspiracy violations. That is the preferred vehicle of prosecution of narcotics offenders.

In addition, we have somewhere around 35 continuing criminal enterprise prosecutions authorized by my Section just this year. That is clearly the trend, that is clearly where we are going.

I also point out in my remarks that sometimes if you don't use a conspiracy statute, that is not an example of lack of good will and lack of good intent. It is an example of using the most economic and efficient way of putting somebody in jail. I remind the committee, as I am sure the committee knows, the conspiracy statutes and substantive statutes carry exactly the same penalty. It is not a question of enhancement of penalty; it is a question of how exhaustive your approach needs to be to identify and put the people in jail.

FEDERAL-STATE COOPERATION

We stress State-Federal cooperation with local authorities. Again this is my background and belief. I have lived in that arena; I know we can't do the job alone, and I know DEA feels the same way.

We have worked it out. I have seen prosecutors sit around the table. We call it the Law Enforcement Organization in Los Angeles. It is the Attorney General's job and his commission and his desire to encourage, U.S. attorneys to take that kind of role in their local communities, and I think the committee knows that there are those that do that.

Skills vary, capabilities vary, situations vary, but that is the commitment and the direction of the Department of Justice.

As I move to conclude my remarks, I simply turn to the title of the document, and I say, yes, gains have been made in controlling illegal drugs, and yes, the trade does yet flourish, but also I wish to urge, and I hope I have demonstrated, that there are important developments under way in the Department of Justice that represent steps in the right direction and give reason to expect significant improvements.

Thank you, Senator, and I will be happy to receive any questions.

Senator DECONCINI. Thank you, Mr. Williams.

I will have some questions. We will go to Mr. Bensinger for his remarks.

PREPARED STATEMENT

Mr. Bensinger, your statement in full will be printed in the record if you will highlight it for us.

[The statement follows:]

STATEMENT OF PETER B. BENSINGER

Good morning, Senator DeConcini. I have followed with great interest the development and finalization of the General Accounting Office (GAO) report, "Gains Made In Controlling Illegal Drugs, Yet The Drug Trade Flourishes." That report clearly addresses the magnitude of the worldwide narcotics trade and the tremendous profits inextricably associated with this illicit activity. The GAO report also succinctly defines several problem areas that belong on the respective agenda of the Executive, Legislative and Judicial branches.

The GAO report properly calls to the attention of Congress the need for action on several fronts. GAO properly castigates present bail practices. GAO recognizes that the present bail law does not provide for "danger to the community" as a criteria for setting conditions of pretrial release for·defendants charged only with non-captial offenses, the category into which drug trafficking falls. I believe, as does the GAO, that alleged traffickers use the opportunity of being on bail to continue dealing in drugs and therefore do pose a real danger to the community. I have long been an advocate of bail reform. The current bail procedures are not working. In addition to the fact the traffickers continue to ply their trade, many take advantage of the system and flee rather than face a severe sentence if later convicted. Money is no obstacle for drug traffickers; bail is merely another business expense. It is time to recognize that the bail system is a traffic ticket for major narcotics dealers.

On prior occasions, the GAO has made recommendations to the Judicial Conference regarding sentencing practices. They have recommended that the Judicial Conference should:

1. Undertake a comprehensive assessment of the nature and extent of undesirable sentencing disparity existing in the Federal criminal justice system;
2. Determine the effects of judicial discretion on the justice system, including sentencing of drug violators;
3. Establish a reporting and review mechanism to collect sentencing data and to periodically study the adequacy of sentencing decisions; and
4. Request from the Congress any legislative, statutory or rule changes needed to improve the sentencing process and to provide assurances that criminal sentencing is consistent and fair among and within districts.

I concur with these GAO recommendations. DEA and the Department of Justice have been strong advocates of legislative proposals to establish a comprehensive guidelines sentencing system in order to rationalize the exercise of sentencing discretion and enhance the deterrent effect of Federal Criminal sentences.

I was pleased to note that the House Criminal Code Reform Bill includes the trafficking of marihuana as a Class C felony. I believe that penalties for trafficking in large quantities of marihuana should be increased from those established by the present structure of the Controlled Substances Act.

I also wholeheartedly concur with the GAO's recommendation to the Congress that they enact legislation which would make it illegal for any person on a U.S. vessel or on a vessel subject to the jurisdiction of the U.S. or for a U.S. citizen on board any vessel to illegally possess or transfer a controlled substance on the high seas. This "High Seas" legislation is sorely needed to close an inadvertant loophole in the Controlled Substances Act which allows motherships laden with marihuana and often cocaine to travel the seas with impunity. I commend the House of Representatives for resoundingly passing such legislation and urge you and other members of the Senate to act on this pending legislation.

The GAO recommends that the Secretary of the Treasury speed the processing and dissemination of Bank Secrecy Act reports so that law enforcement agencies can achieve the maximum benefit from the information. In fact, although the Bank Secrecy Act has not been as useful to drug enforcement as originally intended, the situation is changing and improving. The Treasury Department has made strides to ensure that the U.S. Customs Service processes the reports and disseminates the information to investigators and prosecutors in a timely fashion.

I hope that the Congress will act on legislation introduced in both the House (H.R. 4073) and the Senate (S. 1293) that would close a loophole in the Currency and Foreign Transactions Reporting Act. The proposed amendments provide for more efficient enforcement of the Act's provisions by making it illegal to attempt to export or import large amounts of currency without filing the required report.

In analyzing the role of the Treasury Department in supporting drug investigations, the GAO asks Congress to consider whether the provisions on Federal law enforcement activities warrant revisions of the IRS Code, and whether any revision can be made without disrupting the balance between criminal law enforcement and "individuals' rights". I believe that this assessment should be made.

The GAO has made a fairly accurate accounting of the dimensions of the retail diversion problem. In suggesting alternatives to the present enforcement situation, the GAO has developed several approaches to curtail retail diversion. One would legislatively give DEA more authority to act on its own behalf; the other would give the agency a more active role in assisting the States. DEA is currently working on revisions to the Controlled Substances Act that would, in effect, increase our ability to provide necessary resources to upgrade State efforts and, at the same time, increase our authority to act directly against a retail violator when State efforts fail.

Equally as important, the clear success we have seen from the heroin policy developed with the Governments of Mexico and Turkey should be translated into badly needed initiatives to combat marihuana and cocaine as well. We need help to turn off the faucets: opium in the Middle East; cocaine in Peru, Bolivia and Colombia; marihuana in Colombia. High diplomatic priorities and resources are required for long-range planning and assistance with crop control and eradication efforts.

The GAO highlights two other areas that merit legislative attention. One, the United States should become a party to the Convention on Pyschotropic Drugs. The treaty was adopted in 1971 and transmitted to the Senate for advice and consent the same year, but action was deferred pending passage of the necessary implementing legislation. One year ago, on November 10, 1978, the legislation was enacted (PL 95-633) and I, therefore, urge that the Senate ratify the Convention. The United States should be party to an international agreement of this dimension. That the treaty is still awaiting action in the Senate does not speak well for our image in international narcotics control.

Two, the GAO also noted the growing adverse influence of the drug paraphernalia industry. A copy of my recent testimony before the House Select Committee on Narcotics Abuse and Control has been made available to the Committee and is self-explanatory.

# # #

GAO has accurately described the several changes which the United States Government's policy arm has seen in the 1970's. The report notes that the Drug Policy Office of the White House Domestic Policy Staff absorbed all functions of the abolished Office of Drug Abuse Policy (ODAP). GAO, however, reserves judgement on the effectiveness of this new coordinating unit until there is sufficient experience under this structure for a realistic evaluation.

I believe, however, that the present record speaks for itself. At no time in the history of drug law enforcement has the total effort been as well coordinated. At the Federal level, cooperation and coordination are the rule, not the exception.

As this Subcommittee has noted, DEA has been designated the lead agency for enforcing Federal drug laws. This responsibility has been defined most clearly in the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention, written by the Strategy Council on Drug Abuse pursuant to its legislative mandate. The Federal Strategy not only defines DEA's role, but also defines the roles of the other Federal agencies with limited drug law enforcement responsibility. The Principal's Meeting of the primary administrators of these agencies ensures policy coordination via regular exchanges of information and advice and by providing a forum for discussing operating problems and matters of mutual interest. I would be remiss if I did not credit the Chairman of the Principals, Associate Director for Drug Abuse Policy of the Domestic Policy Staff, Mr. Lee Dogoloff, for keeping the Principals a viable, active, coordinated team.

Since Reorganization Plan No. 2 of 1973, within the borders of the United States DEA has had the principal drug investigative and intelligence responsibilities for the Federal government. Strategy 1979 supports the continuation of DEA as the lead agency and, in doing so, makes several points worth noting. First, close cooperation between Federal, State and local agencies within the constraints of resources and priorities is mandated in all instances. The Federal level is expected to place primary emphasis on investigating, arresting and providing sufficient evidence to prosecute major violators--the top of the organizations. State and local agencies are charged with concentrating on the local violations in their areas. Again and again the Strategy emphasizes the need to attack the illicit drug distribution system at every possible point from the wholesale level to the street level.

The number one drug of abuse targeted for Federal action by the last four Presidents, the Congress and the Department of Justice has been heroin. Our program efforts have had significant impacts, although the GAO report characterizes the gains as temporary. The results speak for themselves.

All of the indicators we use to trend heroin availability have consistently reflected a downward turn for the last three years. The retail purity has dropped from 6.6 percent in 1976 to 3.5 at the present time. In the same time period, the price has risen from $1.26 per milligram pure to $2.25. The heroin-related death rate has decreased from 150 deaths per month in 1976 to 30 per month at present. The heroin-related injury rate has dropped 52 percent since 1976. The number of heroin addicts has dropped from 560,000 in 1975 to below 450,000 in 1978 and the figure is still declining. Since these indicators have continued over a 3-year period, this positive impact on an adverse phenomenon of great social concern can properly be termed a real accomplishment--and one that is attributable to supply reduction efforts.

If you had held this hearing four years ago and we told you we intended to attack our number one drug priority and could, with Government of Mexico cooperation, reduce availability by 50 percent while reducing the number of addicts in the country by 100,000--I think you would have not only gladly accepted those goals, but also would have been skeptical as to their achievement. I think, Mr. Chairman, that the men and women in DEA, in the U.S. Customs, in the Coast Guard, in the State Department, in State and local enforcement agencies, in Mexico, and throughout the world ought to be congratulated on this accomplishment.

Of course, no one is more aware of the ominous clouds on the horizon than I. In October, I met with a number of DEA, State Department and Foreign government officials in Berlin, Bonn, Weisbaden, Rome and Madrid. These dignitaries included the Ministers of Interior of Germany, Italy, and Spain; the Chiefs of the German, Italian and Spanish law enforcement agencies; the Minister of Health in Italy and the Deputy Secretary of State of the Vatican. The portent is clear: there is an alarming increase in drug use and drug-related deaths and injuries throughout Europe which is largely attributable to high purity Middle Eastern heroin.

Opium production in Iran, Pakistan, and Afghanistan this year will exceed 1,500 tons--more than 100 times what is likely to be produced in Mexico. Most of the opium, morphine base and heroin derived from this bumper crop production is being consumed in the Middle East and

Europe; however, a significant threat for the U.S. exists and must be addressed.

In analyzing U.S. Government international narcotics control programs, I think that the GAO report made a fair assessment of the respective responsibilities of the Department of State and DEA. The Bureau of International Narcotics Matters has the primary responsibility for coordination of international drug control efforts. Initiatives within the purview of the State Department such as crop substitution, income substitution, UNFDAC contributions and victim country consortiums are critically needed, but long-term programs.

In light of the urgency of the Middle Eastern heroin situation, enforcement actions and intelligence collection and sharing, though short-term in nature, are most definitely required. The time for developing U.S. Government programs was yesterday... and we did anticipate Southeast Asian and Middle Eastern heroin production potential by developing in advance special intelligence and enforcement initiatives which are now underway. However, we are limited in part in the Middle East by the political instability of the area.

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DEA serves as the lead agency in domestic drug law enforcement. Approximately one-half of our workforce of 4,100 are Special Agents who are stationed in 113 offices in this country and in 59 offices overseas. The remainder of our staff are compliance investigators, intelligence analysts, chemists and other support personnel.

An important component of our operations is the regulation of the licit drug distribution industry. The overall design of the Controlled Substances Act of 1970 (PL 91-513) gives DEA strong statutory authority at the wholesale level and gives the States the responsibility at the retail level. The 1979 Federal Strategy reinforces this dichotomy; however, it also makes it perfectly clear that the Federal system has a responsibility to assist State and local agencies with combating the retail diversion problem. According to the Strategy, the Federal Government should provide information, financial support, training and technology to the appropriate State and local agencies.

DEA developed the Diversion Investigative Unit (DIU) in response to that charge. Under this program, DEA serves as a catalyst to assemble funding, manpower, expertise, and various jurisdictions into a unified State effort. These units are manned and managed by State authorities, although a DEA Special Agent is assigned on a full-time basis for coordination and support. Our objective is to launch the participating State on a sound start by means of direct Federal funding and support, and, ultimately have a State sustained, permanent DIU program.

DIU's were initiated on a pilot basis by Texas, Michigan and Alabama in 1972. All these pilot States have endorsed the program and are now funding their DIU's. Based on the result of these pilot programs, DIU's have been implemented in the following states: California, Illinois, Massachusetts, New Jersey, Pennsylvania, North Carolina, Georgia, New Hampshire, Maine, Washington, Hawaii, Oklahoma, Utah, New Mexico, Nevada, Florida, and the District of Columbia. All but the Florida DIU are active, bringing the current total to 19. We anticipate two additional units will be added in FY 80.

In the last two years, these units have made over 1,000 arrests and seized over 1.8 million dosage units of legitimately manufactured drugs. The DIU program has demonstrated that a concerted effort by highly trained personnel can have an impact on the diversion of drugs on a statewide level. But more resources are needed to curb retail diversion nationally.

In the interim, DEA has been directing additional manpower to the retail level. During the last six months of 1978, DEA Compliance Investigators spent over 12 percent of their total manhours on retail-complaint investigations. This figure does not include non-enforcement activities such as upgrading State capabilities; Pharmacy Theft Prevention Programs (PTP), training or manhours spent by Criminal Investigators.

DEA takes direct actions against major retail violators when the states cannot take effective action themselves. For example, in the recently initiated Operation Script, DEA is focusing its investigative resources against 109 suspected major retail violators. DEA's effort will hopefully demonstrate to the States the need for vigorous activity in the area of practitioner diversion and will encouarge them to step up their activity. Operation Script meets the current need for an immediate high-impact enforcement program at the retail level.

# # #

With regard to the development and maintenance of intelligence systems, DEA has made great strides. Recognizing that intelligence is the foundation of interagency cooperative endeavors at all levels of global participation, more emphasis has been placed on this function since 1976. There has also been a general reorganization in Headquarters and in the field to improve the scope and capability of operational intelligence expertise. The flow and quality of intelligence products and services has improved. The intelligence program is now at full strength. The recent acquisition of 36 new employees in the Headquarters Office of Intelligence and 25 analysts in the field will greatly enhance the Office's function and ability to assist the overall DEA mission.

With the advent of our domestic reorganization one year ago, the Regional Intelligence Coordinator position was established. Regular coordination between these officers and Headquarters ensures that field intelligence resources are optimally applied. As the GAO report noted, the intelligence officers in the smaller field office may, at times, have to perform other duties. However, this "imposition" is kept to a minimum and is not in the least inconsistent with the collateral duties required of other personnel in the same office.

Field request for Special Field Intelligence Programs (SFIP's) have increased from 23 in FY 79 to 53 in FY 80. Although all of the SFIP's cannot be approved because of fiscal restrictions, the Operational Intelligence Division prepared a very comprehensive planning strategy for the use of these limited SFIP resources to ensure that optimal coverage of existing intelligence gaps is made worldwide.

DEA chairs the National Narcotics Intelligence Consumers Committee (NNICC), which produced the Narcotics Intelligence Estimate for 1977--the most comprehensive and authoritative estimate available to the Federal Goverment. This was the first time that a study of this scope was undertaken on an interagency basis. The Estimate reviewed the international illicit drug production and import situation for 1977 to establish a base from which subsequent developments can be analyzed. The report was issued this past April and has been well-received throughout the Government. With the issuance of the NNICC estimates, we have now, for the first time, general agreement by the entire U.S. Narcotics Intelligence community on the dimensions of the drug problem.

In its critique of DEA's intelligence operations, the GAO also fails to acknowledge the significance of the strategic studies and weekly and quarterly trend reports that are widely disseminated to those Federal, State and local organizations with a need for this kind of information. These intelligence products have met with wide approval from the Executive and Legislative branches, as well as from State and local law enforcement authorities.

Many of these strategic and tactical reports emanate from the El Paso Intelligence Center (EPIC), a unique, cooperative effort established to collect, process, and disseminate information concerning illicit drug trafficking. Simply, EPIC's main functions are:

1. To disrupt the flow of illicit drugs at the highest trafficking level through the exchange of time-sensitive information dealing principally with drug movement; and
2. To support, through the intelligence process, other programs of interest to EPIC's participating agencies.

EPIC began in 1974 primarily as a Mexican border control intelligence unit to ensure effective intelligence sharing between DEA and the Immigration and Naturalization Service (INS). As planned, EPIC has expanded its scope and is now a full-service intelligence center, providing round-the-clock operational support and intelligence relating to the smuggling of narcotics, aliens and weapons. EPIC is heavily involved in supporting enforcement activity in the Caribbean Islands, South America, and the Atlantic and Pacific Coast areas. The U.S. Coast Guard, Federal Aviation Administration, and U.S. Customs Service and Bureau of Alcohol, Tobacco and Firearms all support EPIC with full-time staff. The Federal Bureau of Investigation and the U.S. Marshals Service are presently sending personnel to EPIC on a temporary duty basis to evaluate the feasibility of permanently assigning their personnel to this activity. Additionally, the Departments of Defense and State and the Internal Revenue Service work closely with EPIC.

Significantly, there are over 40 State drug enforcement organizations sharing narcotics information with DEA through EPIC under carefully established procedures. Their evaluation of the facility has shown that EPIC serves a unique and critical need in supporting the various law enforcement users with watch response and drug movement analysis. In short, EPIC serves as a major focal point in effective, interagency cooperation.

EPIC has been praised by the Director of the FBI and by other noted senior law enforcement officials. We have heard nothing but favorable comments from them. At their recent Dallas meeting, the International Association of Chiefs of Police (IACP) passed three drug-related resolutions: one on marihuana, one on the Mexican Government's efforts, and one on EPIC operations. Copies of these resolutions are attached.

I understand that you inquired if the GAO could do an audit of EPIC and we certainly would welcome such a survey. The GAO report specifically made reference to the improvement of EPIC operations and we would welcome a more in-depth analysis.

# # #

Among other programs, the 1979 Federal Strategy cites the DEA/State and local task forces as a program through which a Federal agency, DEA, can participate in State or local enforcement operations when appropriate and within the constraints of resources and priorities. Our goal with the task force program is to complement the Federal drug enforcment effort by increasing the effectiveness in selected jurisdictions of State and local drug enforcement activities aimed towards disruption of all levels of illicit trafficking.

Specifically, the task force program is designed to:

1. Develop in each task force jurisdiction an effective cadre of State and local officers thoroughly trained and experienced in proven drug enforcement techniques;
2. Focus the task force investigative efforts on all levels of violators of the priority drugs of abuse;
3. Increase the number of State and local officers with on-the-job training through rotation of personnel assignment to the task force;
4. Provide actionable intelligence to task force participants;
5. Develop a structured intelligence exchange with minimum DEA participation to be implemented in task force cities once the basic task force objectives in the area are met; and establish the same in selected jurisdictions where DEA resources preclude establishment of a State or local task force; and
6. Encourage and motivate State and local agencies to plan, program and budget for a greater proportion of support costs of task forces.

DEA currently operates 23 State and local task forces throughout the United States. There are 317 State and local officers and 134 DEA Special Agents working in the program.

As I noted a moment ago, the task force program is, in essence, a form of institution building. The Attorney General directed that the task forces become more self-reliant. Consequently, we no longer fund the salaries of participating police officers. Additionally, all new task forces are evaluated annually. Some are added. Others are discontinued.

Program support to the State and local effort is not restricted to the confines of the task force program. To the contrary, most of our support at this level is of a less structured nature. Our Special Agents across the the country are in regular contact with the State and local officials in their jurisdiction. In many cases, a State or local officer will be detailed by his department to work in the DEA office. The DEA forsenic labs are available to assist the State and local effort on an as needed basis, as are the DEA technical operations units around the country. The latter two examples are not restricted to State and local enforcement agencies; the same services are available to other Federal agencies, if needed.

The formal/informal paradigm also characterizes our relationship with the Federal Bureau of Investigation. The FBI does not have jurisdiction under Federal law to investigate narcotics violations. Consequently, the FBI provides support to DEA via three primary means:

-By making available narcotic-related information;

-By debriefing FBI sources and disseminating this information;

-By providing investigative support and joining in task forces as appropriate.

In Miami, we have been working in a joint task force with the FBI on Operation BANCO. This joint operation evolved from investigations into large currency flows in Miami banks. The goal--to identify and associate illicit financial gains with drug smuggling endeavors originating in Colombia and to deter or immobolize the violators through the utilization of the Continuing Criminal Enterprise and Racketeering Influenced and Corrupt Organizations Statutes--was realized.

# # #

There is one element of DEA operations that was only analyzed on the surface in the GAO report; yet, it is very significant and has a direct bearing on the outcome of all our programs, not just the one or two referred to in the report. That aspect is Training. The Federal Strategy considers training each time it defines what DEA's obligations are to the nationwide drug law enforcement program.

Through several training vehicles, DEA can best assist State, local and other Federal agencies with their particular needs. The DEA Offices of Enforcement, Intelligence, Compliance and Regulatory Affairs, Chief Counsel, and Science and Technology all play essential roles in developing the curricula of the training programs.

The number of individuals attending training programs in FY 79 reached a record high. Over 2,600 law enforcement officers from all over the country benefited from 55 different two-week training classes conducted by the individual DEA regions. These programs are tailored to meet the specific needs of an area. The regions also conducted general background seminars for another 2,500 people that ran from two days to one week. Field training further enriches all our programs. At the time of the implementation of the Southeast initiatives, DEA intensified its training programs for that area, reaching approximately 1,000 State and local officers in the course of the year.

A total of 43 police officers attended the two 10-week Police Training Schools conducted by DEA's National Training Institute (NTI) here in Washington, D.C. Thirteen other programs, reaching a total of 549 officers, were conducted by NTI. NTI also sponsored 15 seminars on the use of the conspiracy statutes. Over 400 Special Agents and law enforcement officers took advantage of this program in FY 79.

# # #

Mr. Chairman, I believe that the GAO report has served a great purpose by detailing where the Federal drug enforcement program has come from, where we are now, and where we need to be in the future. The United States has a pivotal role in the worldwide drug abuse drama. Much needs to be accomplished. DEA stands ready to assist in whatever fashion may be required.

IACP Resolution: Government of Mexico

WHEREAS, the Government of Mexico has recognized the danger to the health of its citizens and citizens of other countries of the effects of heroin and marijuana and

WHEREAS, the Government of Mexico has provided exemplary leadership in the fight against these illegal drug substances and

WHEREAS, the government of Mexico has at great cost to itself and its law enforcement officers continued to destroy the illegal opium and marijuana crops grown in its territory by effective eradication methods. Therefore, be it

RESOLVED, that the IACP commends the Government of Mexico, the President of Mexico, the Attorney General of Mexico, the military forces and law enforcement agencies whose vigorous efforts have dramatically reduced drug related deaths and injuries in North America, and it is

FURTHER RESOLVED, that the IACP supports the effective cooperation between the Governments of the United States, Canada, and Mexico in the effort to eliminate the illicit drug traffic, be it

FURTHER RESOLVED, that Mister Peter B. Bensinger, Chairman of the Narcotics and Dangerous Drugs Committee of the IACP, be requested to personally deliver this resolution to the President and Attorney General of Mexico, on behalf of the President of the IACP during their November 1979 meeting.

IACP Resolution: Marijuana

RESOLVED, That Federal and state governments make special efforts to provide the necessary leadership, policy direction, legislation, education and resources to inform the public of established consequences to reverse the trend of escalating use, to provide more complete information on health implications, and to provide a meaningful deterrent to those who persist in commercial trafficking operations; and be it

FURTHER RESOLVED, That this document be forwarded to the Secretary of Health, Education, and Welfare and to the Surgeon General with this recommendation of the utmost urgency that Ms. Harris and the Surgeon General issue a joint statement regarding the health hazards involved in the use of marijuana.

FURTHER RESOLVED, That this document be forwarded to the United States Congress and to the Chairmen of the appropriate Health, Education, Justice, and Commerce oversight committees with the recommendation of the utmost urgency, that Congressional hearings in the criminal, health, education, and economic aspects of this traffic be addressed by appropriate legislation, resources and public information.

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IACP Resolution: El Paso Intelligence Center

RESOLVED, That the International Association of Chiefs of Police encourages the administrators of all state law enforcement organizations whose states have not already joined EPIC to visit the facilities of EPIC, evaluate the resources of information available through EPIC, and seriously consider joining EPIC so that all local law enforcement agencies in their state will have access to this national narcotics intelligence system; and be it

FURTHER RESOLVED, That the International Association of Chiefs of Police strongly recommends that all state and local law enforcement officers make maximum use of the EPIC system by: inputting all pertinent narcotics related intelligence information coming to their attention, remaining constantly aware of the valuable intelligence resource information possibly available therein, making full use of system through inquiries whenever the need arises, and initiating "lookouts" on aircraft, vessels, vehicles, etc. which are suspected of being involved in narcotics trafficking so that they may be "tracked" through the system; and be it

FINALLY RESOLVED, That a copy of this Resolution be forwarded to each state administrator of the International Association of Chiefs of Police Division of State and Provincial Police and the National Sheriff's Association in addition to being published in The Police Chief magazine and the Police Yearbook.

SUMMARY STATEMENT OF PETER B. BENSINGER

Mr. BENSINGER. Thank you very much, Senator.

I share, I think, Alex Williams' characterization of the GAO report. I think it is important to have been produced, to have been heard, and I hope it will be acted upon.

It calls the attention of Congress for action on several fronts. The GAO properly, as do you, castigates our present bail policy. If we are going to be serious about putting traffickers in jail and protecting the public from these same individuals, then we ought to be consistent with how we regard their threatening traffic. I believe, as does the GAO, that alleged traffickers use the opportunity of being on bail to continue dealing in drugs, and I conclude they do pose a real danger to the community.

Current bail procedures are not working, and I appreciate your recognition and support, as evidenced during your discussion with Mr. Dogoloff. We have more fugitives than we have special agents, in addition, traffickers continue to apply their trade while on bail. Many take advantage of the situation and flee the jurisdiction rather than face a severe sentence, if later convicted.

I can think of the Chagra case in Texas, where a $400,000 bail was imposed, but he disappeared despite that fact.

Money is no obstacle for the drug traffickers. Bail is merely a business expense. It is time to recognize the bail system is a traffic ticket for major narcotics dealers.

SENTENCING PRACTICES

GAO also made recommendations to the Judicial Conference regarding sentencing practices. I concur with these GAO recommendations.

DEA, the Department of Justice, the Attorney General, have been strong advocates of legislative proposals to establish a comprehensive guidelines sentencing system, to enhance the deterrent effect of Federal criminal statutes, and to provide greater consistency between jurisdictions.

I was pleased to note the House Criminal Reform bill includes increasing trafficking of marihuana as a class C felony for large quantities.

I do believe penalties for trafficking in large amounts of marihuana should be increased from those presently established in the structure of the Controlled Substances Act. I also wholeheartedly concur with GAO's recommendation to the Congress that they enact legislation which would make it illegal for any person on a U.S. vessel or any vessel subject to the jurisdiction of the United States, or for a U.S. citizen on board any vessel to illegally possess or transfer control substance on the high seas. This high seas legislation is sorely needed to close a loophole which exists, particularly for mother ships ladened with large drug quantities traveling the high seas with impunity.

I commend the House of Representatives for resoundingly passing such legislation and hope and urge you and other Members of the Senate to act on this pending resolution, H. Res. 2538.

The GAO also recommends the Secretary of the Treasury speed the processing and dissemination of bank secrecy reports. I hope that Congress will act on legislation introduced in both the House and Senate to close a loophole in the currency transactional reporting.

The amendments proposed would provide for more efficient enforcement of the act's provisions by making it illegal to attempt to export or import large amounts of currency without filing a required report.

The GAO asked Congress to consider whether the revisions on Federal law enforcement activities warrant revisions of the IRS Code.

I share with Mr. Williams twofold perspective of working with the existing law to the best of our ability, but I firmly believe that improvements need to be made and a further assessment is in order.

GAO, I think, made an accurate accounting of the dimensions and problems of the retail diversion program.

REVISION OF CONTROLLED SUBSTANCES ACT

DEA is working at the present time on submitting to the Congress, the White House and OMB a revision of the Controlled Substances Act that would increase our ability to provide necessary resources for State efforts and at the same time increase our authority to act directly against the retail violators, when State efforts fail.

The clear success we have seen from the heroin policy developed with the Governments of Mexico and Turkey should be translated, in my opinion, into badly needed initiatives to combat marihuana and cocaine as well.

The United States should become a party to the Convention on Psychotropic Drugs.

I would hope the Senate would ratify this convention. The United States should be party to an international agreement of this dimension, and I can assure you I am asked in international gatherings why we haven't acted.

I would comment further, Mr. Chairman, that your opening statement and the press release distributed prior to this hearing reflects a negative assessment of results.

FIRST PRIORITY IS HEROIN REDUCTION

The No. 1 drug of abuse targeted for Federal action by the last four Presidents of the United States, by the Congress, the Department of Justice, and these four strategy papers, starting with the White Paper on Drug Abuse of 1975 and going up through the 1979 Strategy makes clear our first job is to reduce the availability of heroin.

Our program efforts have had a significant impact. The indicators used to trend heroin availability as reflected on the chart to my right show a decrease from 6.6 percent purity in 1976 to a present heroin purity level of 3.5 percent, an increase in price, and a decrease in heroin deaths and injury averaging as high as 150 a month 3 years ago to the present rate, which is 30 a month.

The number of injuries have dropped by over 50 percent.

Since these indicators have continued over a 3-year period, this positive impact on adverse phenomenon of great social concern can properly be termed a real accomplishment. The fact that the number of addicts has dropped from 560,000 in 1975 to below 450,000 in 1977 and is still declining, I think, is also significant. I suspect if you held a hearing 4 years ago, and we had a dialoge with respect to our No. 1 drug priority, and you asked if we could reduce with cooperation from the Government of Mexico the availability of heroin by 50 percent, overdose deaths by 70 percent, the number of addicts by 100,000, you would not have believed those goals and perhaps would have been skeptical as to their achievement.

I think, Senator, that the men and women in U.S. Customs, U.S. Coast Guard, Prosecutor's Office, State and local enforcement agencies, and people in Mexico who fought this problem, ought to be congratulated on this accomplishment. I don't consider these results dismal. I consider them outstanding, and they have been termed that before every other committee before whom I appeared in the last several years.

I am not concluding that the problems of heroin availability are over, because we are threatened with growing opium crop in Iran, Afghanistan, and Pakistan, but I do think the results have been solid. I think the results speak for themselves without dispute, and I think the results respond to the direction I have received from the Attorney General of the United States, our Congress, and the President.

MARIHUANA AND OTHER DRUGS

Now, turning to other drugs, marihuana, I just don't think we have a consistent congressional position on this drug. It is the single biggest drug problem for State and local law enforcement officers. Yet our penalties for large scale trafficking are not realistic nor serious, and we are not willing to use the single most effective tool that really was most responsible for that decrease in heroin and that is an eradication program in the source country.

So I don't know what direction your questions will have. I think the GAO report did not give significant enough attention to this major drug problem confronting all of the State and local and Federal law enforcement officers in their report.

The marihuana problem continues despite increased interdiction, intelligence, and enforcement. Without realistic penalties, without realistic bail and without an eradication program overseas, it is going to be a very uphill and perhaps uneven battle. The GAO report, I think, correctly points out that DEA has jurisdiction for the wholesale and manufacturing level of the controlled substances that are licitly produced.

Drug and diversion investigative units working with States have had an impact, but the total overall impact on the availability of amphetamines, barbiturates and other licit drugs—Preludin, Talwin, Dilaudid—are not sufficient at the State and local level to have a nationwide impact. We think revisions in the present Controlled Substances Act—more resources, more dollars and perhaps greater control through revocation of registration and increased penalties—will be appropriate.

INTELLIGENCE PROGRAM

With respect to the intelligence program and the shared intelligence program, we have seen a significant accomplishment. GAO makes reference to it. It is the National Narcotics Intelligence Consumers Committee report which produced in 1977 and 1978 for the first time ever an interagency survey of drug production, money, and availability. The NNICC estimate for last year is presently circulating through the executive branch agencies. I think this is a very positive step, one that has been long needed and does address a Federal interagency government intelligence need.

I feel that reference to the weekly and quarterly intelligence reports that have not been highlighted in the GAO report should be mentioned by me, because they have met with wide approval within executive and legislative branches as well as local and State law enforcement units.

PARTICIPATION IN EPIC

EPIC has been referenced by GAO. It has, I think, developed a unique cooperative effort to collect, process and disseminate information in intelligence, it has expanded its scope from a 5-day-a-week, 37-member center to a 7-day-a-week over 116 full-time people center with representatives from U.S. Customs, Coast Guard, FAA, Bureau of Alcohol, Tobacco and Firearms and with the TDY representatives now from the FBI and permanent officers from the U.S. Marshal's Service.

Additionally, the Department of Defense, State, and Internal Revenue work closely with EPIC. We have 40 different State agencies that are sharing narcotic information with DEA through EPIC and have had 10,000 requests for information on individuals, vehicles, or vessels, or aircraft from local jurisdictions since the start of this year.

At the time of the Dallas meeting of the International Chiefs of Police Association, three resolutions were passed. I have attached them to my testimony. One of them is specifically related to EPIC.

I did personally invite the directors of State Police or public safety departments, law enforcement departments from all of the 50 States in the United States, from Alaska, Hawaii to Florida to join me at EPIC a year and a half ago and we had an excellent reception. We have met with those members, and 40 out of our 50 States are now signed up.

The GAO specifically made reference to the improvement of EPIC operations. I understand there may be an interest in a further, more in-depth analysis.

We welcome such a review. We feel it is a very viable important working tool.

STATE AND LOCAL TASK FORCE OPERATIONS

Finally, Senator, because I do want to summarize and provide an opportunity for a good dialog between us. I would comment that the State and local task force operations, which we have in place in 23 State and local cities, involve 317 States and/or local officers and 134 special DEA agents. We estimate there are some 427 State and local agents working with us every night and day doing our jobs together.

INCREASED INVOLVEMENT BY FBI

We have seen a significant increase in the involvement of the FBI. Alex Williams made reference to it, he is absolutely right. I think it is principally due to the direction of FBI Director Webster. I think he has facilitated greater cooperation. I think there has been more narcotic information available, there has been more debriefing of FBI sources, we have joined together on important task forces and will continue to do so.

They have been an important addition to what several years ago was not part of the team.

In terms of training, over 2,600 State and local law enforcement officers from all over the country have had the benefit of 2-week training courses. In the case where special problems arise, such as in Florida, over a thousand State and local police officers were trained during the course of the year.

DE FEO REPORT

You inquired about the DeFeo report. It is 4 years old. It was a lengthy document compiled at the direction of Attorney General Edward H. Levi in 1975. An attorney by the name of Michael DeFeo headed a three-member team from the Department of Justice. It reviewed a variety of activity—Federal narcotics agents, officers and employees over perhaps a 10 or 15 year period from 1975 backward. It is a classified document at the Department of Justice. Members of the Congress' staff and Members of Congress have seen it at the Department of Justice, and read it. I am sure arrangements can be made for you to see it personally, although it hasn't been mailed out to the Congress. It is not in the control of our agency. The Department of Justice, I am sure, could work appropriate arrangements in a matter of hours for you to review the document.

It is 4 years old. I have read it and would be happy to discuss it with you at a subsequent session or at a private conference in that regard.

CRITICAL ISSUES IN DRUG CONTROL

The comments and the questions that I have heard you pose to Mr. Dogoloff in the course of the discussion have hit upon some of the critical issues which really impact on my opinion on drug availability in this country. I don't think, in my own personal opinion, Senator, that Federal interagency cooperation is one of them. I think one of the critical issues on drug availability and drug use relates to several of the issues you inquired of Mr. Dogoloff dealing with legislation, bail, sentencing, the IRS Tax Reform Act, high seas legislation, a revision in the DIU procedures with the Controlled Substances Act, and a meaningful long-term program overseas where the utilization of crop destruction, eradication, substitution, and assistance can take place on perhaps not just on a single annual appropriation basis. If we are talking about cocaine and marihuana, which have not had any type of dramatic decrease in availability, it is going to be difficult for the State Department to deal with it on an annual basis, and I think that is where we will have our greatest rewards.

I would also urge a consistent marihuana policy where individua and here the State and local officers are probably the most frustrate have a Federal policy that allows the full utilization of all options control that illicit crop.

I appreciate the opportunity of appearing. I commend GAO on the study and would be happy to answer any questions, Senator DeConcin

DIFFERENCE IN HEROIN ESTIMATES

Senator DeConcini. Thank you, Mr. Bensinger.

In your testimony in September of this year, you testified that 6 ton of heroin entered the United States annually from Mexico, Southea Asia and the Middle East. However, appendix I of the GAO report ci ing information from DEA, NIDA, ODAP, states that the U.S. heroi addicts are consuming about 9.4 tons of heroin annually. How do yo explain the differential in the estimates, and how do you explain th problem is getting less severe?

Mr. Bensinger. I think the problem is less severe, and I disagree wit the comment on page 150 that says there is an annual consumption o 9.4 tons of heroin. I don't know from what year they took this estimate My suspicion is we have never had 9 tons of heroin in the last 3 year in this country.

Senator DeConcini. How do you come up with 6 tons of heroin?

Mr. Bensinger. We come up with the amount of heroin in thi country through the National Intelligence Narcotics Consumer Committee's analysis, which is a compendium of the FBI, IRS, Immigration Service and others. We looked at a variety of drug substances, took the best estimates from all agencies and came up with an estimate as to what the availability and the importation of heroin was that year.

It isn't just a DEA estimate. It is an estimate that has been approved by a variety of agencies.

One of the ways in which heroin availability is estimated, Senator DeConcini, is through purity, treatment center requests through NIDA, overdose deaths and injuries and input from State, local enforcement officers.

I would like to submit an analysis over the last few years, DEA as well as the NNICC estimate on heroin availability.

Senator DeConcini. The GAO reports cited DEA and NIDA for their 9.4 tons estimate. DEA is telling you 6 and telling GAO 9.4. I only call it to your attention. They don't say that is correct in their report or endorse it, but they say that is the source of their information. Did they get misinformation?

Mr. Bensinger. I suspect they did not. I don't know where they drew the 9.4. But we have never, I have never publicly stated 9.4.

Senator DeConcini. How about NIDA?

Mr. Bensinger. I am not sure whether NIDA has ever utilized that figure. The statistics I made reference to, 560,000 addicts in 1975, is a NIDA figure. The 450,000 figure for 1977 is a NIDA figure. We expect from indications that that figure is still declining, in the last conversations we have had with NIDA.

Senator DeConcini. I will ask GAO how they arrived at that, although the report says, "While the data presented in this appendix was derived from DEA and NIDA"——

Mr. BENSINGER. I will be making a similar inquiry.

Senator DECONCINI. "——this should not be construed as an endorsement by our office." They obviously have a little problem with the systems or at least don't want to commit themselves to it.

It seems to me, Mr. Bensinger, in all fairness, you have a GAO study, an independent study, that admits going to your agency and arriving at a 9.4 figure. You, in your own testimony, to substantiate the success of our drug interdiction program, point to a 6 ton figure. I don't know if it is 3 tons, 6 tons, 9 tons. Whatever it is, it is a hell of a lot of heroin.

In any event, there is great discrepancy here, and I take plenty of responsibility from the standpoint of Congress, and I will comment on that, on your suggestions that we have not set a drug policy. But how is Congress to respond when we have the discrepancy of 3.4 tons of heroin? That is a heck of a lot.

Mr. BENSINGER. If you will allow me,

Senator DECONCINI. Certainly.

Mr. BENSINGER. I am not here to defend GAO anymore than when Elmer Staats was here, when he appeared on October 25, he did not represent DEA. I don't know where they got the 9.4, but they didn't get it from me, and it is inaccurate. I want to say there are a thousand fewer people dying. I don't know whether GAO is in a position to document that fully in their report, but the heroin abuse level in the United States is down, it is down significantly, it is down dramatically and I don't think that can be contested.

NUMBER OF PEOPLE USING HEROIN

Senator DECONCINI. Well, the GAO report cites a National Institute on Drug Abuse estimate that since 1973, at any one time, 450,000 to 500,000 persons use heroin daily.

How do you explain the apparent discrepancy of what your testimony was in September where you said, "Our assistance to Mexico over the past 5 years has saved 1,000 lives a year and resulted in 100,000 fewer heroin addicts."

Mr. BENSINGER. I can document that testimony from a National Institute of Drug Abuse Capsule. It is a document they publish about every couple of months, and one of the ones that was published made reference to the number of heroin overdose deaths which they expected to occur. I will submit that for the record, but I think you will find also in this comment, the 453,000 people makes reference to a 1977 figure. If you find from NIDA what their estimates of addicts were in 1975, and I talked with Bill Pollin this morning, not about this subject, but your staff could call him on the phone during the hearing. I think he will tell you two things. There has been a dramatic decrease in heroin availability.

CONFIDENCE LEVEL FOR HEROIN USER ESTIMATES

Senator DECONCINI. I will ask that.

Let me ask you this: Do you think anyone with any degree of confidence really can say how many heroin addicts this country has, whether it is NIDA, GAO, or yourself?

Mr. BENSINGER. I wouldn't represent myself as an expert. I think the National Institute of Drug Abuse is a statutory authority charged with the responsibility for prevention, treatment, and the Federal Drug Abuse program. And I would look to them for the best estimate on the number of heroin addicts in the United States.

I don't think it is a perfect science.

Senator DECONCINI. That is really what I wanted to get on the record. I don't pass any dispersions toward you, DEA, or GAO, or NIDA, because it just seems to me very difficult to attempt to find out, how do you know that the number of heroin deaths and injuries reported by DAWN is reliable.

Mr. BENSINGER. We have no automatic guarantee that each and everybody in each and every morgue has been recorded in the information system. We do get reports from the coroners, the hospitals, medical examiners that reflect the opiate, or heroin overdoses trace and trending. We have used this same system over the last 6 years or so and have not changed the numbers or the method by which we have collected the data.

So that when we do collect data on injuries and deaths, and the injuries have gone up on cocaine and the deaths have gone up on cocaine and on PCP, both, and down on heroin, it is the same system. I do not represent it as a foolproof system that has each and every single person is recorded because it doesn't, but it is a very useful trend on a national basis that indicates purity and availability and fatalities.

Senator DECONCINI. That was my next question. Can it be used to analyze drug deaths and injuries on a national basis for a 5-year period, 2-year period?

Mr. BENSINGER. I think it can and has been.

PROBLEM WITH REPORTING DEATHS IN NEW YORK

Senator DECONCINI. Is it true the medical examiners in New York City, a major heroin area, are not reporting to the DAWN system?

Mr. BENSINGER. The New York Medical examiner—previously it was a man named Mr. DeMaio—did not collect the heroin overdose deaths in New York and Charles Rangel and other Congressmen and I have had a variety of questions and conferences even with Bob McGuire, Chief of Police and his predecessor, but the Public Health Section of the 5 burroughs does collect data. It wasn't done through Mr. DeMaio's office, but the data that has been reported to us is through a separate noncoroner, medical examiner, and the New York data is included on the basis of information from the public health authorities of the 5 burroughs of New York.

Senator DECONCINCI. So you are satisfied New York is included in the DAWN reporting system now?

Mr. BENSINGER. I am satisfied that the fatalities and injuries that we receive from New York are included.

Senator DECONCINCI. How long has that been included? Since you have made these arrangements to get it from other sources.

Mr. BENSINGER. I would prefer to write you specifically on the dates, Senator DeConcini, of the shift. But in 1977, I can recall that the Medical Examiner of New York specifically was not submitting the data and we had to go elsewhere to get it.

If I could, I would like to submit that for the record.

Senator DECONCINI. I would like to. It concerns me you can't get that information on the standpoint of the medical examiners and it would be of interest to the committee.

[The information follows:]

PROCEDURE FOR REPORTING DRUG ABUSE-RELATED DEATHS FROM THE NEW YORK MEDICAL EXAMINER'S OFFICE

There are at present five borough offices which report drug abuse-related deaths to DAWN through the office of Dr. Elliot Gross, Chief Medical Examiner of New York City.

Four of these, Bronx, Manhattan, Brooklyn, and Queens, were recruited in June of 1973. Richmond was recruited in July of 1973.

Reporting from each of these boroughs continues today to be completed by a single DAWN reporter working out of the Chief Medical Examiner's Office.

A quality control feature of the DAWN system involves routine visits and discussions by DAWN field staff to assist DAWN reporters in resolution of problems. As a result of one of these visits by the DAWN field staff, in August 1976, it was found that the New York DAWN Medical Examiner reporter had inadvertently failed to report some non-narcotic drug abuse-related deaths statistics. The problem was corrected by reviewing with the medical examiner all death records from June 1975 through June 1976. Any additional cases during the review process which fit the DAWN criteria of reporting drug abuse related deaths were added to the system.

The procedure for collecting DAWN drug abuse-related deaths statistics from the New York medical examiner is as follows: The medical examiner and DAWN reporter review all pertinent autopsy materials and all other file materials gathered regarding each possible case identified. This includes the review of case history information, suicide notes, police reports, autopsy evidence, hospital reports, and other data which may be evidenced in the individual's file. All these data are then analyzed for medical/legal support to confirm toxicological findings which may indicate that a death may be related to a drug crisis. This is an extremely time-consuming task due to the very cautious and minute methodology required by medical examiners before the DAWN reporter can report drug-related cases to DAWN. As a result, however, we can be fairly confident that all drug-related cases reported out of the New York Examiner's office are, in fact, what they represent in the DAWN file.

It should be noted that in most Medical Examiner's offices, the cause of death is not determined without very careful procedures which involve sign-offs from perhaps many physicians. In the case of drug abuse-related deaths, this confirmation is prolonged further for the most complete findings before it is labelled a "confirmed" drug abuse deaths. Therefore, approximately 6–9 months are needed from the date of death for a confirmed drug abuse deaths to be reported to DAWN.

PRICE/PURITY SYSTEM

Senator DECONCINI. Can you explain how the price/purity of heroin is computed, including the various criteria used, sample, size, et cetera?

Mr. BENSINGER. Yes, I think I can, and I certainly can get assistance from those behind me.

Senator DECONCINI. We will be glad to have them come forward.

Mr. BENSINGER. I appreciate that, Senator. The price/purity system is a retail sampling of between 150 to 300 samples of retail-level buys. There are certain criteria that are required to fit into that retail profile. The amount of the purchase cannot be a bulk kilo-like purchase. In fact, it is limited to a gram or an amount slightly above that. The purity itself has to be below 14 percent. The amount of funds expended are also controlled, and then these samples are submitted regularly throughout the United States, and we get a printout. The Office of Statistical Services has made that available to me from time to time because I wanted to make sure we have had consistency in our price purity data.

I would be happy to have Mr. Wainer, who heads up our Statistical Data Services Section brief your staff fully on the geographic locations, sampling techniques and criteria.

Senator DECONCINI. Has the methodology been consistently applied over the years?

Mr. BENSINGER. Yes.

One point in time in November-December of 1976 in discussions with Bob DuPont, the former Director of NIDA, he and I were concerned about the number of samples submitted. Since that time, the sampling has increased substantially.

Senator DECONCINI. Is there any truth that the price of heroin used in the computation may be higher since the DEA buy costs more than what it may cost an addict?

Mr. BENSINGER. I don't think so, Senator. It is a retail level buy that is accomplished many times by State and local law enforcement officers and the samples are provided to us on that basis.

Senator DECONCINI. Am I correct, some major heroin areas in the United States, such as Los Angeles, are not included in the price/purity computation?

Mr. BENSINGER. I don't believe you are correct on that, sir.

Senator DECONCINI. Can you verify it for us?

Mr. BENSINGER. I will check and doublecheck.

DEA's retail heroin price/purity system routinely reports figures representing only the Nation and five large geographical regions within the continental United States. When requested, special reports are generated on a city by city basis if the data base is sufficient for the period being examined.

Reporting for the West—California, Nevada, Oregon, Washington, Idaho, and Montana—has been consistently reported since the inception of the price/purity system. It should be noted, though, that the bulk of data for this area are reported from California and that few exhibits are obtained in the far Northwest.

With the exception of the first 9 months of fiscal year 1979, there have also been sufficient exhibits in the past 4 years to generate special reports every quarter pertaining to the Los Angeles area. It should be noted that the lack of data in Los Angeles during the October 1978–June 1979 period was not unique in that our data base declined in the entire Western region during that period. Since then, however, exhibits have increased substantially, enabling us to again report figures for Los Angeles on an as needed basis.

HEROIN PRICE DETERMINED MAINLY BY SUPPLY

Senator DECONCINI. I understand some agents believe that purity in street heroin is low, not because of the eradication success in Mexico, but because traffickers wanted to increase their profits. Since it seems feasible that traffickers, like legitimate businessmen, would try to receive the greatest return from their investment, has DEA ever explored the possibility that the reduced heroin purity may be a result of the desire for greater profit rather than reduced availability of pure heroin on the street?

Mr. BENSINGER. I think the reduced availability of heroin is due to supply reduction efforts. I think traffickers have switched from dealing in heroin because of the risk factor as well as the availability. Why not? For $50 to $65 they can buy a pound of marihuana in Colombia, sell it for $300 in Florida, with very little fear of prosecution. There is no deterrent. It seems to me that the traffickers are switching and did switch to PCP, cocaine, and marihuana in part because of reduced availability, but also because the attendant risks are demonstrably less. I think it would be that. We are well aware of it and the RICO cases, and we have made 43 continuing criminal enterprise cases—I have a list of them right here—since the beginning of this year, that is more than, I suspect, what has been made in the last several years by a variety of agencies. We are focusing on major profit-motivated organizations who are not dealing in heroin, but for the most part, are dealing in other drug substances. So I think your question is on target.

In a sense, the traffickers are switching, but I don't think it is solely because of profits, although that is certainly one of the major incentives. It is also because of a very, very inappropriate deterrent.

PRICE AND PURITY OF COCAINE

Senator DECONCINI. Does the DEA maintain statistics on price/purity of cocaine?

Mr. BENSINGER. Yes, it does.

Senator DECONCINI. Is this similar to the same methodology that is used in——

Mr. BENSINGER. I believe it is. It is not reflected on that chart. Our cocaine purity has stayed about the same, Senator DeConcini. The price has gone up, the availability has not decreased. It is averaging about 12 to 14 percent purity, 56 cents a milligram.

Senator DECONCINI. The demand has not increased in cocaine?

Mr. BENSINGER. Supply and demand have increased.

Senator DECONCINI. Has increased?

Mr. BENSINGER. Has increased.

SUPPLY AND DEMAND FOR PCP

Senator DECONCINI. And as well, has PCP?

Mr. BENSINGER. PCP is starting to level off. We have seen a tremendous increase in clandestine lab seizures last year, something like 60. Seventy percent of them were PCP. We have seen a doubling in the penalty now in PCP. We are able to follow piperidine, which is a precursor. The abuse reported by DAWN and medical examiners shows now a plateau of PCP. I think also Congress, both in the House and the Senate, had some important hearings on it.

The public has been well-informed by documentaries—angel dust, angel death. I sense the PCP problem is now at a plateau level. I hope it is going down.

INCREASE IN WHITE ASIAN HEROIN

Senator DECONCINI. The increase of cocaine with the past increase of PCP, with the curtailment of some Mexican heroin, has there been an increase of White Asian heroin?

Mr. BENSINGER. There has been an increase in White Asian and in Middle Eastern heroin in the United States. Up until now, that increase, which has been modest in the sense that it is not yet dramatic, has not made up for the reduction in the Mexican heroin availability.

Southeast Asian heroin a year ago, perhaps, would have made up 30 percent, 30 to 38 percent of the total imported.

Today, the Middle Eastern heroin is, I think, far above the level it had been 2 years ago. In 1978, it was estimated at 17 percent, Mexican at 45 percent of all of the heroin available.

I sense, Senator DeConcini, if I can just give you a gratuitous comment, that the Middle Eastern heroin problem is likely to get worse.

Senator DECONCINI. Regarding the Middle East heroin, are you anticipating or have you made any recommendations or considered legislation prohibiting the importation of opium straw?

Mr. BENSINGER. I am not considering limitation or estimation of legislation on poppy straw.

Senator DECONCINI. Poppy straw, excuse me, that is what I meant. You are not?

We talk about the reduction of heroin addicts and you defend your position based on statistics gathered by your office. How do you explain the tremendous rise in crime of burglaries, robberies, and larcenies? Is it, in your opinion, Mr. Bensinger, inaccurate to relate the high rate of burglary crimes with the increased use of some narcotics, if not heroin, other narcotics?

Mr. BENSINGER. You have conflicting reports, Senator DeConcini, on that subject. There was a study done in Washington, NIDAsponsored. I recall reading it in depth, and we could make it available to you and your staff, tracking heroin purity and property crime, and as heroin purity in Washington went down, property crime went down. This was one study in one metropolitan district.

Other areas, Detroit had a survey which tended to imply that as heroin purity went down, people went out to break into stores to feed their habit. The amount of money required for a heroin addict at any level of purity is beyond what is normally a daily wage. So my sense would be that is not, in fact, the case.

CRIME RELATED TO DRUG USE

Senator DECONCINI. You don't think, in your opinion, that the increased crimes are by any means directly related to the drug abuse problem, or drug use problem?

Mr. BENSINGER. No, I wouldn't make that statement because I think the drug abuse problem is related to the general level of crime. I wouldn't say that specifically the purity of heroin has been demonstrated to conclusively prove that. As it is scarce, there is more crime or as it is available, there is less, or vice versa.

I think the fact you have criminal organizations, trafficking blatantly and breaking the law, would encourage me to support the concept that that does not decrease the crime rate. We have had our Office of Planning and Evaluation do studies on this.

We have talked with other organizations on it.

Senator DECONCINI. I get from your testimony that with the increase of cocaine, and I suspect you would agree that traffickers may succeed. When there is enforcement here or eradication enforcement, the traffickers switch to something else, is that a fair observation?

Mr. BENSINGER. I would say that is a fair observation certainly inasmuch as those traffickers would still have an opportunity to obtain substantial profits and not face significant deterrents. I would like us to be in the position of facing the traffickers on a wide variety of fronts without that proposition, without an unrealistic bail system, and a lack of deterrent in sentencing.

DRUG ENFORCEMENT COORDINATED SYSTEM

Senator DECONCINI. You point out, Mr. Bensinger, in your statement, you think the problem—maybe it was Mr. Williams—the problem is not a lack of cooperativeness among law enforcement agencies. Are you familiar with the CONIC system, or the DECS system, as it is referred to now, the Drug Enforcement Coordinating System?

Mr. BENSINGER. You will have to give me an amplification.

Senator DECONCINI. Let me cite to you some background information and I will be glad to stand corrected.

This system is used for the identification of narcotic violators, particularly in the New York City area. Theoretically, the DECS system——

Mr. BENSINGER. The DECS system.

Senator DECONCINI. The DECS system was set up to avoid having different departments working on the same narcotic suspect and to avoid making multiple narcotic buys from this individual. The system is arranged in such a manner that any agency, for example, the New York City Police Department or the New York State Police or New Jersey Police strike force, task force, are required if they are working on a narcotic suspect to enter that suspect's name into the system, bearing in mind that the Drug Enforcement Administration controls the DECS system.

This provides the DEA with a record of all narcotic investigations being conducted by other agencies in that particular area.

Because of the funding provided to local law enforcement agencies by DEA, it is a mandate from DEA to these agencies, that information regarding narcotics investigation has to be entered into the DECS system. What it boils down to is that the local departments basically have no option if they want to continue funding from DEA under the contractual arrangements. To illustrate the power that DEA has over the New York City Police Department in particular, any correspondence sent to the Police Department must be cleared through the 57th Street office of the DEA before the Police Department can take any action.

Based on this information, it is obvious the Police Department has lost its autonomy in the area of drug enforcement and must depend upon the DEA very heavily in a particular area. Are, indeed, local departments required to put information into the DECS system or lose their funding, and has the DEA taken over working cases from local enforcement agencies as a result of the local agencies' entry of information into the DECS system?

Mr. BENSINGER. I think, Senator DeConcinci, you have bad information. I have with me, Senator, John Fallon, the Regional Director of our New York Operation, just by chance, and I would like him to address it in detail.

From a policy standpoint, the Chief of Police of the City of New York, Bob McGuire, John Fallon and the Superintendent of the State Police, Bill Cannellie, sit on a Policy Council, a unified drug task force group, and have established a variety of targets of priority and procedures. I am going to ask Mr. Fallon to respond specifically with respect to how a New York Police officer may or may not access information to take over a case.

I can assure you, I, with you, do not care who gets the credit in a drug investigation. Our job is to put the traffickers in jail the best way we can with whatever means or investigating agent.

GETTING CREDIT FOR DRUG INVESTIGATIONS

Senator DECONCINCI. Excuse me, Mr. Bensinger, I believe you don't care who gets the credit. I believe you are well intended to see that is not the priority. What makes you believe that your street agents operate in that same manner?

Mr. BENSINGER. Because I have changed their evaluation forms, Senator. Because when they are up for an annual evaluation, it is no longer how much powder on the table or what number of arrests they have made. We have made 20 percent fewer arrests, as a matter of fact, in the last 3 years, but they have been better, and I have seen some investigators who have specifically passed on the information, getting commended for the data that took place. Steve Austin got a distinguished service award from the Attorney General last year. A new agent working out of Los Angeles made an enormous PCP case, some 28 pounds of finished PCP, 700 pounds of unfinished PCP, and tonnage quantities of methaqualone powder. He got the lead from an agent in Rochester, N.Y., who happened to be familiar with the fact that a shipment was going out of a precursor lab. That agent did get recognition as well.

Now, let me ask Mr. Fallon to respond, if you would, to this other issue.

AVOIDING DUPLICATE INVESTIGATIONS IN NEW YORK

Mr. FALLON. Yes, with regard to your comments on the DECS system, the DECS system is a purely voluntary system that was entered into and agreed with by the Commissioner of the New York City Police, the Superintendent of State Police and the Regional Director of DEA. The system is one where in order to insure that there is total commitment and total belief in the system, the system itself is run and manned by the New York City Police members assigned to the Unified Intelligence Division.

In no way is there any effort, nor would any such effort be tolerated, I assure you, by any Chief of the Narcotics Department in the New York City Police Department, or the Drug Enforcement Administration, to take any case over.

On the contrary, this system, in effect, prevents duplication, loss of life, and establishes, to a higher degree than ever before, the credibility of informers who might be being used by both agencies and, in fact, abusing both agencies. When an agency such as the New York City Police Department establishes that they are investing money in resources and work on a particular individual, if they know the name of the individual, or know where the man is working, or where he is, a card is submitted. When that card is submitted, it goes into a file. It is not available for public screening, nor screening even by DEA, without the permission of the two other members of the Coordinating Council in order to maintain that the system in fact has credibility.

When that card goes in, it is made out to indicate, for instance, the Street Enforcement Unit in Harlem has submitted a card on John Fallon. They commit resources, time and energy on working on John Fallon, and it may well be because John Fallon is an active narcotics man, DEA might have group 6, all of a sudden it looks like it is working toward the same guy, John Fallon. When they start making a buy on John Fallon, they make out a card and that goes to DECS. Now the man in DECS has two cards, the first card from the Street Enforcement Unit in Harlem, and the second card from the 6th group in DEA. The policemen assigned and the man responsible, so that DEA does not have the attitude or the opinion that we are running it, that member of the New York City Police Department now notifies the submitter of the first card, which is the Street Enforcement Unit, without telling the group 6 man that somebody else is working on the same case. We don't want to compromise either group 6 or the Police Department.

RESOLVING DISPUTES ON CASE ASSIGNMENTS

It is then the responsibility of the Supervisor of the Street Enforcement Unit, which will either be Lt. O'Hara or Captain Power, to look at the card and say, "Okay, I will get in touch with the group supervisor of group 6", which might be Fred Gormandy. Those two individuals are supposed to sit down and establish—well, I got two buys into this guy and I spent $6,000. That being the case, DEA might be the last guy on the scene and say, "Well, I have already spent a grand, but I am not going to spend any more", and make available to the Street Enforcement Police Unit what information is available.

Now, if there is no resolution, and there are times when guys are sor of hardnosed about it, if those two street commanders can't arrive at a satisfactory agreement, it now gets pumped up to the next level, which would be the Assistant Agent in Charge of our New York District office, or an Inspector in the New York City Police Department.

Now, it does not reflect well on street bosses if they can't settle thei problems, but if it does come up to the next level, let's take a hypothetical case, that it can't be resolved at that level, it goes to——

Senator DECONCINI. Who is the first next level, the DEA supervisor?

Mr. FALLON. No, if the group supervisor in group 6 says, "I can't deal with this guy", it goes to the Assistant Agent in Charge——

Senator DECONCINI. Is that a DEA agent?

Mr. FALLON. Then the Captain has got to go back to his Inspector and say, "I can't work with that guy." Now, the Inspector who has responsibility over many, many street groups and the assistant agent in charge of many narcotic groups sit down and discuss what the problem might be. Resolution will be reached. If it is not reached at that level, it goes to the Coordinating Council. What occurs, I found out my guy can't make a resolution, Commissioner McGuire finds out he has an inspector who can't make a resolution, and we will see a resolution is made. Resolution rarely has to go to that higher level. These men work that well together. The DECS system—I have been in New York all my life—the DECS system is the best system that has ever hit the city of New York for narcotic enforcement. It is a system that Bob McGuire, Charlie Kelly, and I can tell you endless narcotic bosses that can finally say, at least we are not chasing the same guy, blowing the same money, feeding the same informant. On two occasions, by virtue of the DECS system, we probably saved guys from going and being blown away, where we make buys in the same place or prevent a DEA guy from buying from a cop. Those things used to happen. The DECS system is, without a doubt, one of the most gratifying results——

Senator DECONCINI. How long has that system been in effect?

Mr. FALLON. Six years.

Senator DECONCINI. How long have you been operating?

Mr. FALLON. I have been in DEA since its inception in 1973, but I have been in Customs since 1960, and I was a policeman before that. All my life I have been in New York.

OPERATION OF DECS SYSTEM

Senator DECONCINI. Do you operate the DECS system now?

Mr. FALLON. No, the DECS system is just, as I said before, it is retained, it reposes at 57th Street.

Senator DECONCINI. I understand. Is that under your control from the standpoint of DEA's involvement?

Mr. FALLON. No, the Coordinating Council.

Senator DECONCINI. Who funds it?

Mr. FALLON. The Coordinating Council.

Senator DECONCINI. No, who funds the DECS system?

Mr. FALLON. We funded that.

Senator DECONCINI. You have the primary responsibility of operating the DECS system?

On one occasion, we wanted to make a survey, let's say we did a major violators targeting in Harlem and we want to see who is working on what. Before the DEA, before I, as the Regional Director, could say to my intelligence chief, make a survey of what is going on up there, who are we working on, I have to go and meet with the Coordinating Council and get the approval of the New York City Chief of Police and the N.Y. State Police and say, look, as part of the Coordinating Council, the Unified Intelligence Division wants to find out what is going on up there, who is putting all the time into these Harlem guys. The safest way is to look at the DECS card. That is the only time we look at the DECS card and——

DECIDING WHO SHOULD INVESTIGATE DRUG CASES

Senator DECONCINI. Mr. Fallon, can you state to this committee that DEA has not taken working cases from local law enforcement agencies as a result of local agencies' entry into the DECS system——

Mr. FALLON. To say we took them, no, I wouldn't say that. I would say when entry was made into a DECS system by a P.D. member and it turned out that a DEA agent had made first entry into the case, or vice versa, a cop may have had the first entry, when those two levels of street supervisors sat down, a decision was made at that level that the best way to get this guy and the most resources thus committed, and who had the most successful prosecution that could evolve. If it were DEA, we would go Fed.

On the other hand, it might be State, and we would go State.

I can tell you this, I have gotten into enough arguments with the people in my office, because I am an ex-New York City policeman. I am accused of favoring cops, because I would say that case and the resources committed by the Police Department make it absolute no way can we take that case over, it goes to the State.

Senator DECONCINI. Can I take your statement to mean, to the best of your knowledge, you know of no instances where the DEA has taken over working cases from local enforcement agencies as a result of the local agency entry when the local agency didn't want them to do so?

Mr. FALLON. On no occasion have we ever taken a case where the local agencies did not want us to do it, no, sir. It would have been arrived at as a mutual decision and oftentimes the prosecutor would say: Where is the best prosecutable case? Many times, the best place to turn the guy around is in State court.

Senator DECONCINI. You are sure of that?

Mr. FALLON. I am as sure of that as I am sitting right here, sir.

Senator DECONCINI. Particularly as to major import cases.

Mr. FALLON. I didn't hear that.

Senator DECONCINI. Any cases involving the DECS system, you are satisfied you can stand on your testimony, that they have not been taken by the DEA when, in fact, the local people who have put it in would have any objection?

Mr. FALLON. I can say without any equivocation that the DEA has never taken a case that the local police or the local supervisor wouldn't have made a similar agreement, that yes, that case should go.

Now, are there occasions when the local cop, the investigative might say, "They robbed us on that." I have agents who say the s thing, that the cops robbed us. I don't try to resolve what that agen cop says. I have a mission, and so does the police commissioner, an long as the police commissioner is satisfied and agrees the case sho go federally, I am satisfied I haven't taken it.

CHARGE THAT DEA TAKES OVER LOCAL CASES

Senator DECONCINI. You don't give any credence, if a State or l law enforcement official would make a charge that, in fact, they g the information to DECS—and I am using a hypothetical case—and fact, without their permission, the DEA ended up using that infor tion and making a case.

Mr. FALLON. As a matter of fact, sir, in the DECS system, ther built in a provision for just such an allegation that you have made. are in and we have had allegations made exactly like that, where agency says, "You took that case after we had submitted it."

There is a provision. The commanding officer of narcotics, who is guy making the beef, Sixth Police Unit in the Bronx, write out a me to the Chief of Narcotics, the Chief of Narcotics submits it to Unified Intelligence Division, and we look at it. If it says, on this ni and this date we know that agent so and so did this and that, assured I will make sure that I check it out and say: Hey, did this ag go out and do this, did he have this information, did he withh submission until the 11 hour. We will make an adjudication and i turns out that the Fed was wrong, and I can think of three cases wh I decided the Fed was wrong, and gave the guy a letter of admoni ment, the P.D. was advised. On the other hand, we have had ca where the Fed says: Hey, I submitted this, I was doing this and th We say: OK, you write your letter. The letter comes in and we revi it. If I am not satisfied, I will go to Bob McGuire and say: Bob, I c establish here your company gave us the business, then it is up to B to do something.

There is built into the DECS system that kind of an appeal for th kind of transgression, yes.

If I misstated not to your satisfaction before, rest assured it is bu into the DECS system, it is part of the organization.

Senator DECONCINI. I gather from what you tell me, the charge m be so made under such a hypothetical case, but, in fact, it doesn't ha pen, without the permission of at least the Council or the supervis people.

Mr. FALLON. Correct, sir.

Senator DECONCINI. Overruling somebody else.

Mr. FALLON. Correct, sir.

DE FEO REPORT

Senator DECONCINI. Mr. Bensinger, let me ask you quickly about t DeFeo report I mentioned. Is it correct that this is a 1976 or 19 report?

Mr. BENSINGER. It is 1975, Senator DeConcini.

Senator DeConcini. And that report is with you or with Justice?

Mr. Bensinger. It is at the Justice Department. They prepared the report and have jurisdiction over its discussion.

Senator DeConcini. And that report you say you have read?

Mr. Bensinger. Yes, sir.

Senator DeConcini. Is there any followup report on corrective measures taken as a result of the original DeFeo report?

Mr. Bensinger. There is no hard-cover book like this on that specifically, but there have been a number of steps and issues reviewed and actions taken with respect to the material there.

Senator DeConcini. I take it then there has been interoffice memorandum or reports of some type since the 1975 DeFeo report as to what action has been taken as a result of that, is that fair?

Mr. Bensinger. I think if the sense of your comment would be, has there been a formal report transmitted by me to the Department on that, the answer is no.

The Department participated with me and our Chief Counsel. This goes back 3½ years, almost 4 years in reviewing the substance of that and the specific issues which were raised.

They are familiar with the action that was taken.

Senator DeConcini. Which is more verbal in the nature of exchanging that action has been taken, if any?

Mr. Bensinger. It would be both. I would advise, since it is a classified document, that we not pursue that line of questioning, at least I am not in a position——

FOLLOWUP ON DE FEO REPORT

Senator DeConcini. I am not getting into the document, as you will carefully note. I am not asking you anything about what is in the document. I have some ideas what is in it. What I just want to know is, has there been any—what effort has been made as a followup by you or Justice to that report? That is all I want to know, informal, formal, any.

Mr. Bensinger. There was a formal effort to follow up the report, to review the substance of it on an individual item-by-item basis to assess the representations and to take action where indicated.

Senator DeConcini. And where is that, is that with Justice, too?

Mr. Bensinger. As I indicated, there is not a formal compilation of the report. If you have a chance to read it, sir, you will find it does not lend itself to a summary of wide operations. It is related to specific instances. I would be happy to talk after you have read more about it.

Senator DeConcini. Do you know why it is still classified after more than 4 years, or maybe, Mr. Williams, you can explain.

Mr. Williams. Senator, I can advise the Senator that that matter is being acted on by the Acting Deputy Attorney General. I am advised that he has the report and the matter of the Senator's interest in the report is being addressed by the Acting Deputy Attorney General, Mr. Ruff. I, of course, have not had any involvement with it; it substantially predates my presence here in Washington.

Senator DeConcini. You don't know why it is still classified?

Mr. Williams. I do not know the details of that. No, I do not.

PROVIDING DE FEO REPORT TO COMMITTEE

Senator DeConcini. You don't know whether or not the Justic Department will make that available to members of this committee?

Mr. Williams. It is my understanding Mr. Ruff will assure th Senator's desires are appropriately met.

Mr. Bensinger. I don't see, Senator, any problem to your havin access to the report. Because of the nature of commentary, I think tha would have to be checked legally as to the level of declassification.

Senator DeConcini. The Privacy Act doesn't apply to the Congres isn't that correct?

Mr. Bensinger. I am sure you would have access, sir, if it was reproduced in a more general fashion and unclassifed in a general fashion, would have to question.

Senator DeConcini. Now, are you saying the version I will see will b a sanitized version?

Mr. Bensinger. I am not saying that at all. I suggest you get a cop and read it, Senator.

Senator DeConcini. I have tried to get a copy for about a week now and I have been given the runaround like nobody's business. I don' appreciate it at all, and I am not getting into the report here. I am jus trying to find out from the executive branch why in the heck you wil not share a report that is over 5 years old with one of the Senators i this area of appropriation of your agency.

I find it extremely difficult to sit here and be put off by variou members of the executive and the Justice Department, when we hav the responsibility to know what is happening. I cannot see the report and now I am told I can see it and that is fine. But I just want the message to be very clear to the Justice Department, if I take the time to g down there, and I intend to do it, I don't want to see some sanitize report similar to what you gave to the Permanent Committee on Investigations some years before. Those things don't help a lot, believe me when we have to make a judgment whether or not your agency is effective.

Mr. Bensinger. Senator, you are directing your comments to me and I accept them as an official of the Justice Department. I don't have control over that specific document and never have had. It has been available for the review of Congress staff; Senators and Congressmen have seen it at the Department of Justice. I am sure you are personally very interested in it and a trip to the Department, I know, would facilitate that complete process. Whether Acting Attorney General Ruff is going to make other arrangements is up to the Acting Deputy Attorney General.

The Permanent Subcommittee was a review of that report in its entirety, I understand, and not any sanitized version of it.

Senator DeConcini. I am talking about another report that was submitted to the Permanent Committee after their oversight hearings on drug enforcement. Am I incorrect the unsanitized report was submitted to that committee?

Mr. Bensinger. I would have to get greater details. I know that representatives of that committee, including, I believe, some Senators, did see the report specifically in Attorney General Levi's office and read it there, in an unsanitized version.

Senator DECONCINI. I recall just reading recently in the Los Angeles Times where Senator Nunn was quoted as saying, "Yes, it was a sanitized report. That is about all you can ever get," or something to that effect. Maybe I am incorrect. Maybe that did have the full report and I will stand corrected if that be the case.

EL PASO INTELLIGENCE CENTER

Let me ask you about EPIC, and then I have a couple of questions for you, Mr. Williams, and then we will wind this up. Is Art Fluhr the Director of EPIC?

Mr. BENSINGER. Yes, he is, sir.

Senator DECONCINI. Has he been to New York recently at your direction?

Mr. BENSINGER. Mr. Fallon? Let me ask Mr. Fink to join me, Senator, he is in charge of our intelligence operation. I have just also been advised by Dave Melocik that the reference you made with respect to Senator Nunn may have been with respect to Guns for Drugs and not the DeFeo report.

Senator DECONCINI. I am not referring to the DeFeo report. Excuse me. I understand there are two separate reports. What I was making reference to is, when and if I see the DeFeo report, I hope that it was not sanitized, as I understood the other report that the DEA had submitted to the Permanent Committee being the one you just made reference to.

Mr. BENSINGER. The Guns for Drugs Report did not include all of the classified information that was compiled at the location, the intelligence center. The committee was well aware of that fact, as you pointed out. Gordon? This is Gordon Fink, head of Intelligence.

Mr. FINK. Senator DeConcini, I checked with Art Fluhr. The last time he was in New York was January of this year, on a trip with you, Mr. Bensinger.

Senator DECONCINI. That is just what I wanted to know.

Mr. Williams, you made some reference to the Bank Secrecy Act of 1970. According to the act, financial institutions are required to report to the IRS any currency transactions in excess of $10,000. Each person is required to file with Customs when he or she transports or causes to be transported more than $5,000 in currency, and other monetary instruments into or outside the United States. In your opinion, can the $10,000 requirement be easily circumvented by making smaller transactions or by conducting these transactions under the guise of legitimate business. How frequently is the $5,000 requirement intentionally circumvented to your knowledge?

Mr. WILLIAMS. The answer to your first question, Senator, is certainly yes. It is our belief from examining the procedures implementing this law that it can be circumvented. I do not have an answer for your second question as to how often is it circumvented. Attorney Douglas Hollmann from my staff, who probably knows as much as any prosecutor about the collective financial and currency regulations in the

Government, advises me that the answer to your first question is a very strong yes.

STRATEGY COUNCIL

Senator DECONCINI. Thank you.

Regarding Mr. Dogoloff's testimony, do you sit on the Strategy Council, or the Policy Council? Do you ever appear there in behalf of the Attorney General?

Mr. WILLIAMS. I have not. The Attorney General is a member of the Strategy Council. The Assistant Attorney General, Phillip Heymann, to whom I report, is a member of the Principals Group.

Senator DECONCINI. I mean Principal.

Mr. WILLIAMS. On occasion Deputy Attorney General Irvin Nathan, with whom I work directly, substitutes for Mr. Heymann. Before either one of them goes to the Principals Group, and immediately after they return from it, I confer with them on matters of mutual concern.

Senator DECONCINI. Regarding your analysis of the GAO report, you make a heavy case that your office is prosecution minded and is involved in the cooperative effort among Federal law enforcement agencies.

Mr. WILLIAMS. We do.

Senator DECONCINI. How do you do that? When is the threshold of your involvement, at the indictment process, at the investigative process, or litigation process?

Mr. WILLIAMS. As soon as we can get involved. I noticed one of the testimonies today indicated the FBI and DEA had "produced an indictment in the Southern District of Florida." I have had two attorneys from my section involved there for over a year before that indictment and three of them are down there now trying that case. The name of the game is to start as early as you can. It is a lot easier to make it work from the beginning than to try to put it together with bandaids after you get into the courtroom. The answer to your question, Senator, is, "as soon as possible."

Senator DECONCINI. Can you give me a case, without naming the case, of course, of how low in the threshold of the investigation that you have become involved?

Mr. WILLIAMS. I am sorry, can I ask for clarification?

Senator DECONCINI. Are you brought into the effort of the DEA or Customs on the standpoint of surveillance? Are you ever brought in that?

Mr. WILLIAMS. As a matter of personal interest, I have, in fact, ridden surveillance with DEA.

Senator DECONCINI. I mean the prosecutor, either your Department separately or the involvement you have with U.S. District Attorney's Office.

Mr. WILLIAMS. The U.S. Attorneys and my attorneys are brought in when generally there is a focus on a particular target, when DEA or even Customs or IRS says: "Hey, this guy looks like a big money dope violator. Let's figure out how to go get him." Generally, the bigger the case, the earlier the Assistant U.S. Attorney involvement. This, again, is the heart of my approach to getting the prosecutor more proactively involved in the enforcement levels in Washington. And I might add that I don't mean that to be an implicit question or challenge to enforcement. It is my view that all too often prosecutors have been more judges and less lawyers. They have sat back and said: Well, you messed up on that, I'll go work on this case. My view, and certainly the decided view of the Department now, is that is not the end our job. Our job is to say we learned a lesson here, now let's build on that lesson and away we go on to the next case.

Senator DECONCINI. I agree with you, and I am very impressed. with your testimony.

Mr. WILLIAMS. Thank you, Senator.

ATTORNEYS COOPERATING WITH DEA

Senator DECONCINI. That the Justice Department is moving into the area of "plugging in" if we can use that term——

Mr. WILLIAMS. I should also say, the Drug Enforcement Administration has been one of the leaders among the Federal agencies in welcoming, inviting that contact.

Senator DECONCINI. I know, Mr. Bensinger has testified before his strong support of that effort, and I am glad to see it. When did this start, when you came here?

Mr. WILLIAMS. I don't have so egocentric a view of departmental efforts. In fact, it is a process of certain of the personalities involved, certainly Mr. Bensinger, it has been a process of some of his regional directors. The reason I got to Washington, aside from those folks who wanted to get me out of Los Angeles for whatever reason, one of the major reasons was Mr. Fallon's counterpart in Los Angeles, Jerry Jenson, who said we really have something happening in Los Angeles. I think we do. I may be more geographically centric than egocentric.

Senator DECONCINI. Do you know, is the Justice Department also involved with other criminal activities, with the FBI, Customs or BATF, as far as having a prosecutor involved?

Mr. WILLIAMS. With regard to narcotics, yes. If there is anybody in the Federal establishment whose activities bring them into an evidence-producing situation with regard to narcotics traffickers, we have been, and are being in touch with them, that is IRS, INS, and Customs. Doug Hollmann, the attorney working on financial investigations has been flown all around the country by Customs to lecture their own agents with a view on how to get them involved in the dope prosecution business. We have done so with the support of DEA and their financial intelligence unit, which has recently been established.

Senator DECONCINI. Mr. Bensinger, I have several other questions here. I know time is moving along and I don't want to keep you or Mr. Williams from any appointments you have. So I would like to have an opportunity, either to have you testify again at your convenience or submit to you some specific written questions.

Mr. BENSINGER. I would be happy to answer any written questions or if preferable to you, testify.

Senator DECONCINI. I thank you very much for your testimony, both your written testimony and your willingness to answer questions.

SUBCOMMITTEE RECESS

The subcommittee will stand in recess subject to call of the Chair.

[Whereupon, at 12:33 p.m., Friday, November 16, the subcommitt was recessed, subject to call of the Chair.]

PROGRESS AND PROBLEMS IN CONTROLLING THE AVAILABILITY AND ABUSE OF LICIT AND ILLICIT DRUGS IN THE SOUTHWEST

MONDAY, APRIL 14, 1980

U.S. SENATE,
SUBCOMMITTEE ON STATE, JUSTICE, AND COMMERCE,
THE JUDICIARY, AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
Phoenix, Ariz.

The subcommittee met at 9 a.m., in the Adams Hotel, the Havasupai Room, Phoenix, Ariz., Hon. Dennis DeConcini presiding.

OPENING STATEMENT

Senator DECONCINI. Good morning, ladies and gentlemen. The Subcommittee on State, Justice, Commerce and the Judiciary of the Senate Appropriations Committee will come to order.

Our hearing this morning is part of an ongoing effort by the Senate Appropriations Committee to examine and evaluate the Federal effort to limit and eradicate illicit drugs. The present set of hearings began last October when the General Accounting Office (GAO) released to this subcommittee a comprehensive study of the drug problem. In the course of that study, the GAO cited certain deficiencies in the Federal effort. The initial round of hearings in Washington focused on the problems outlined by GAO and the responses of the affected Federal agencies, especially the Department of Justice, the Drug Enforcement Administration and the White House Office on Drug Policy.

Following those initial hearings, I asked the GAO to continue their efforts by taking the generalizations developed through their study and applying them to selected areas of the country. The first area we chose was the Southwest, and our next target is the Southeast. Both areas either are now or have been primary illicit narcotics entrance points.

In their initial report entitled, "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes," the GAO reached a number of conclusions relevant to the purposes at hand:

First, they argued that there are organizational difficulties between Federal agencies which dilute law enforcement efforts at the borders.

Second, large-scale drug traffickers are not put out of business even when they are convicted because jail sentences are too short and the legal tools are not available to dismantle their organizations or confiscate their huge earnings.

Third, there is considerable confusion as to the proper rol Federal, State and local enforcement agencies which hampers ef tive attacks on drug operators.

Fourth, drug policies at the national as well as State and lo levels are often inconsistent and conflicting and thus lack ove direction and purpose.

It should be noted that the GAO report acknowledges that imp tant strides have been made. And those successes have been result of the dedicated efforts of thousands of men and women i wide variety of law-enforcement agencies at all levels of gove ment. Clearly, the Drug Enforcement Administration, which is lead Federal agency, must be credited with much of this succ

However, as the GAO report states, "the drug traffic continue flourish." Thus, if that traffic continues at roughly the same le as before although its patterns of activity and consumption r have shited, the purpose of these hearings is to determine what and should be done by the Federal Government alone and in c junction with State and local governments.

I do not believe that we will ever find any magic formula simple solution to a persistent and complex problem. To beli that is to delude oneself. I am not convinced, however, that all t can be done is being done. The conclusions of the GAO rep underscore that point.

For example, after the hearings we held on this subject October, I was surprised by the fact that no clearly defina central policymaking unit for the Federal Government's narco effort really existed. While there is an office for drug control po attached to the White House, its functions appear to be prima advisory. It attempts to serve as an integrating mechanism am disparate Federal agencies by holding periodic meetings. Howe access to the President appears to be extremely limited and statutory authority to compel joint efforts or define agency goal nonexistent. Among other things, this suggests to me a lack national commitment on the part of the Federal Government. staff and I are in the process of developing legislation to establis national drug control policy unit within the Federal Governm

Another element in this most difficult puzzle is the leve cooperation between State and local enforcement agencies on hand and Federal agencies on the other. As in the case of Fed agencies on the other. As in the case of Federal policymak there is no statutory mechanism for defining and institutionali this cooperation. Whatever cooperation occurs is on an ad basis. My own experience in Arizona, for example, demonstr that the level of cooperation depends almost entirely on the per alities involved at any one time. I personally believe that narcotics problem is too important to the American people depend on chance for effective enforcement.

But underlying the disappointing degree of cooperation betw different law enforcement agencies which often treat one anot like foreign governments, is a lack of consensus on the proper of the different agencies. Under current arrangements, the D Enforcement Administration is the lead Federal agency. It oper simultaneously as an intelligence-gathering operation, as a "st bust" police force, and as a long-term conspiracy investigator, it works abroad to assist in the interdiction of incoming illicit narcotics.

It strikes me that given the limited resources available, we may be spreading ourselves too thin. Perhaps we need to redefine the role of the DEA somewhat. Perhaps we should more strongly emphasize its capacity to gather and disseminate intelligence, its capacity to develop broad conspiracy cases and its capacity to contribute to the interdiction of incoming narcotics. Conversely, perhaps we should begin to deemphasize the DEA's role in actually making so-called "street busts." This seems to me like an activity far better suited to State and local enforcement agencies which have far greater manpower resources and local knowledge. It seems quite logical that DEA could and should play a far greater role in supporting the efforts of local and State law enforcement. This might provide a relatively simple delineation of function and a more rational allocation of resources.

Hopefully, our hearing today will shed light on the current status of the drug situation in the Southwest, and especially in Arizona. Further, we are anxious to explore current practices of cooperation between different types of enforcement agencies and to hear directly from the men and women who are on the frontlines of this effort. We, in Congress, too often confine ourselves to the "Washington perspective," which may account for the fact that we often adopt policies that do not truly address the needs of the people we are trying to assist. I have always held the view that the perspective of the people charged with actually carrying out policy is critically valuable in evaluating the efficacy of the policies.

An interesting phenomenon that we are apparently witnessing here in Arizona is that success in reducing the amount of heroin available does not automatically either reduce the heroin addict population or the amount of crime associated with drugs. Because of the success of the Mexican poppy eradication program, the volume of heroin entering Arizona is down considerably. Heroin available on the street is of substantially reduced purity. The effect is that heroin users must buy more "fixes" to maintain their habits. Thus, the overall cost of the habit has risen as has the amount of crime which supports this habit. Heroin addicts now supplement the heroin habit with other drugs. I believe this suggests just how complex and how difficult the narcotics problem really is. It seems to show that we must move on many fronts simultaneously, and to focus exclusively on heroin does not take into account the flexibility of the drug market and drug consumers.

I am convinced that illegal narcotics traffic is one of the most vicious social problems facing the American people. It is impossible even to contemplate a reduction in street crime without first reducing the drug problem because the two are but different sides of the same coin. I am also convinced that the drug problem has been given inadequate attention and commitment—not just at the Federal level, but at all levels. And, I am further convinced that our laws are inadequate to deal with this problem. Thus, part of any rational solution must be to give our police and our courts the necessary tools. And finally, I am convinced that the courts have been remiss in their treatment of drug traffickers, imposing inadequate prison sentences, allowing too easy bail, and using a bankrupt philosophy of rehabilitation to a class of criminals which has demonstrated almost no capacity or desire to be rehabilitated. Given the proper climate and a sufficient amount of information to the public as a whole, I am equally convinced that we can reverse these trends. I would very much like the next GAO report to be entitled something like this, "Substantial Gains Made in Controlling Illegal Drugs—The End is in Sight."

GENERAL ACCOUNTING OFFICE

STATEMENT OF JAMES T. HALL, LOS ANGELES REGIONAL OFFICE, GENERAL ACCOUNTING OFFICE

ACCOMPANIED BY:

GEORGE GRANT, LOS ANGELES REGIONAL OFFICE
PAT GORMLEY, LOS ANGELES REGIONAL OFFICE
JOEL GUNTER, LOS ANGELES REGIONAL OFFICE

Senator DeConcini. Our first panel will be composed of the U.S. General Accounting Office, Mr. James T. Hall. Mr. Hall, would you please come forward? Mr. George Grant, Mr. Pat Gormley, and Mr. Joel Gunter, all from the Los Angeles regional office.

Gentlemen, we are aware of the tremendous amount of work and effort that you have put into these studies and the followup information, and we welcome you here. We thank you for your efforts and your devotion to this particular assignment.

Would you please lead off, Mr. Hall?

GAO—SUMMARY STATEMENT

Mr. Hall. Thank you, Senator. We are pleased to be here before you today to discuss our recent work and its relevance to the drug abuse problem in the Southwest. Last October we testified before this subcommittee concerning our report on the Federal Government's drug enforcement and supply control efforts over the last 10 years. Today I will highlight portions of that report, "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes", which are pertinent to the subcommittee's deliberations in Arizona. I will also include information we recently developed at the request of this subcommittee.

In our October report, we pointed out that although drug control efforts have shown some positive results, including reduced availability of heroin, drug abuse and trafficking still flourish. The gains made in reducing the adverse impact of illegal drugs are fragile, requiring constant vigilance, as source countries move quickly to fill temporary drug shortages, trafficking patterns shift, and the types of drugs consumed readily change.

For example, breaking the French Connection created only a temporary heroin shortage. As those in Arizona and other border States well know, Mexico soon emerged as the principal supplier of heroin to the United States. Subsequently, as Mexican heroin became less available heroin from Southeast Asia and the Middle East has increased. In addition our recent work shows that use of dangerous synthetic drugs has increased as heroin users find it difficult to obtain heroin.

The drug problem continues to persist throughout the United States because of the enormous supply of and demand for drugs.

This situation has created a multibillion dollar business in which the risks are low relative to the profits that can be made. While law enforcement creates obstacles, it is easy to enter and distribute drugs in the United States. As a result, drug trafficking attracts people from all walks of life, including doctors, lawyers, accountants, businessmen, and entertainers, who see opportunities that far exceed those offered by legitimate businesses.

While the stated Federal drug strategy seeks to contain, and ultimately reduce the supply of illicit drugs, the enormity of the undertaking has frustrated attempts to achieve this goal. Furthermore, the actions needed to fully support the Federal drug strategy have not materialized. We reported that U.S. drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. We found the following problems hampering Federal drug enforcement efforts:

The United States, emphasizing short-term measures to reduce drug availability, has not received the degree of international support needed to overcome the long-term nature of the problem (i.e., social, political, and economic conditions in producing countries) nor is it likely that these problems will be overcome within the foreseeable future.

Federal agencies have no comprehensive border plan; at the border they pursue their own separate interests and overall border security suffers. This has diluted border coverage and meant that the border does not seriously impede the illegal entry of drugs.

Legal obstacles, lack of expertise, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating the skills, jurisdictions, and resources unique to their agencies. As a result the Federal Government has had only limited success in immobilizing high-level traffickers and their organizations through conspiracy and financial investigations.

Bail and sentencing practices throughout the country have further weakened efforts to immobilize drug traffickers. Many arrested for trafficking take advantage of the bail law and deal in drugs while awaiting trial, while those eventually convicted are often incarcerated for short periods.

While the Federal Government has placed increased reliance upon State and local drug enforcement efforts, there is no clear agreement concerning the appropriate division of responsibility between these and Federal agencies. This coupled with the enormous number of jurisdictions, and financial and political realities, make it very difficult to mobilize Federal, State, and local resources in a coordinated nationwide attack on drug trafficking.

The work we performed in January and February of this year at the request of this subcommittee substantiated that major findings set forth in our October report are currently applicable to Arizona and other parts of the Southwest. Based upon our recent interviews of Federal, State, and local law enforcement officials, the consensus is that (1) there have been gains made in reducing heroin avilability in the southwest, but the overall drug problem may be greater than ever; and (2) intelligence-sharing and investigative cooperation has improved, but the integrated attack on drug trafficking we believe is necessary has not been mounted.

Drug trafficking and abuse continue to flourish in the Southwest. While law enforcement officials in Phoenix and Tucson reported to us that some inroads have been made in reducing the supply of heroin, large quantities are still available.

The gains made against heroin are largely attributed to the success of Mexico's eradication program and to severe droughts. However, concern was expressed as to how long Mexico's efforts would continue; with some authorities fearing that the gains made in Mexico are extremely fragile thus emphasizing the need for law enforcement to maintain a constant vigilance.

Unfortunately, as heroin availability has declined in the Southwest the use of other drugs has grown dramatically. Heroin addicts seeking alternatives to the high priced, poor quality heroin currently available have turned to synthetic opiates such as Dilaudid or to other dangerous drugs such as Darvon or Talwin. For example, the demand for legally manufactured drugs resulted in a substantial increase in Phoenix area pharmacy robberies and increased use of bogus prescriptions. In addition, law enforcement officials expressed concern that the white heroin now being found mostly on the east coast would soon find its way to Arizona.

The ready availability of cocaine and Colombian grown marihuana on the streets has added to law enforcement's dilemma in determining where to apply its limited resources. Cocaine trafficking is so rampant, one investigator in Arizona told us, that cocaine busts can be made on any given day. Some investigators told us that, because these cases are so easy to make as compared to heroin cases, law enforcement priorities have essentially shifted away from heroin to these targets of opportunity.

The production of PCP and methamphetamines by illicit laboratories has also helped to create an overall drug abuse problem larger than ever. These relatively inexpensive, easily manufactured drugs are extremely dangerous to users, but highly profitable to unscrupulous producers. A few hundred dollars investment can, for example, produce PCP with a street value in excess of $100,000.

We were told by most officials that intelligence sharing and investigative cooperation among Federal, State, and local law enforcement agencies in the Southwest has improved in recent years. A large part of the credit for these improvements is due to the efforts of the Federal El Paso Intelligence Center (EPIC) and the Arizona Narcotics Information Network of Arizona (NINA). Each of these systems performs a valuable service by linking agencies together when investigating the same subjects, thus facilitating cooperative investigations.

As part of our work at the request of the subcommittee, we talked with 45 State and local narcotics officers in the Southwest who had requested and received EPIC information. We wanted to obtain their views on EPIC's services. Their comments were generally favorable—the vast majority of the officers told us that EPIC's information was useful and enhanced their investigations. In addition, most of the officers said that the referrals to DEA field offices by EPIC had helped to achieve better coordination of enforcement efforts.

Narcotics officers in Arizona also believed that NINA had played a similar role in linking local investigative agencies together. In addition, NINA provides services such as telephone toll analysis and additional checks which have been valuable to local law-enforcement officers.

Improved cooperation and intelligence sharing are important steps toward maximizing the effectiveness of the limited Federal, State, and local law-enforcement resources that can be mounted against increasingly sophisticated drug traffickers. However, these measures are not an adequate substitute for the well-integrated, coordinated effort necessary to make maximum inroads with available resources. Such an appeal will require State and local agencies to play an active part in defining an overall drug strategy and the role each agency can most effectively play.

To summarize, Senator, we believe that the drug abuse situation in the Southwest reflects the problem nationwide—that is, drug abuse is increasing, not abating. The widespread availability of illicit drugs, and the increasing use of these drugs by young people, attest to the crisis at hand. Making other than temporary gains will require a much tougher and consistent stand by all parties than has historically been the case.

Senator, this concludes my statement. We would be pleased to respond to any questions.

COOPERATION AT EPIC

Senator DeConcini. Mr. Hall, thank you very much for a very fine summary statement. You make reference in your statement of recent improvements in the Southwest with the law-enforcement agencies' cooperative effort, EPIC and NINA. Do you find EPIC's increased cooperation in the last 12 months or 2 years, or 3 years? What span of time are we talking about a greater awareness and participation by EPIC?

Mr. Hall. Well, essentially we are talking about a time frame of the last year.

Senator DeConcini. About the last year. Now prior to that, did your interviews and discussions with law enforcement indicate something different?

Mr. Hall. Based on our inquiries regarding EPIC during 1977, we found that there were some dissatisfactions on the part of local and State law-enforcement officials. But since that time, we have found that there have been substantial improvement in the satisfaction of local and State law-enforcement officials.

Senator DeConcini. So it's turned around, you would say?

Mr. Hall. Yes; to some extent.

Senator DeConcini. The success of EPIC being a cooperative agency.

Mr. Grant. Senator, if I might interject, we found during our current followup, that EPIC took certain steps that strengthen and improve the relationships. EPIC changed its policies to allow more information to be disseminated.

Senator DeConcini. They were making changes internally?

Mr. Grant. Yes.

EXECUTIVE BRANCH RESPONSE TO THE RECOMMENDATIONS

Senator **DeConcini**. Your October report contained a number of recommendations to strengthen the Federal Government drug enforcement and supply control efforts. Do you see any action on the part of the executive branch to implement any of your recommendations?

Mr. **Hall**. Yes; we see some steps forward, but there is still a great deal left to be done. As a matter of fact, the tools that the Congress may be providing for the executive branch perhaps are as much of a constructive move forward as the steps the executive branch has taken.

We still find the need, for example, for resolving the Federal border agencies jurisdictional problems, mission priorities that the agencies at the border feel are important to pursue, and the related lack of coordination among those agencies in that area. There needs to be more coordination of State and local level drug-containment programs with the Federal strategy. More needs to be done to take away the profit from illicitly gained dollars that you referred to in your statement. Also, drug traffickers are still able to go out on bail posted from such illicit money. Cooperation between the Internal Revenue Service and other Federal law enforcement agencies to interchange intelligence data and achieve a fully effective investigative approach to take away illicit profiting needs more attention. Drug violators are still able to deal from the street after they have been arrested and are out on bail. And then perhaps one of the most important things is the lack of someone to effectively oversee and coordinate all of these policies.

COMPREHENSIVE BORDER PLAN

Senator **DeConcini**. You mentioned organizational difficulties between Federal agencies at the border. Has anything specifically been done by the executive branch, any action taken to implement a comprehensive border plan that you know of?

Mr. **Hall**. The Office of Management and Budget has agreed that there is a need for the plan, but they stress that there are political realities and difficulties in bringing that comprehensive integrated border control program into existence.

Senator **DeConcini**. What do they mean by political problems——

Mr. **Hall**. They believe there are different views about the need for stronger law enforcement in the eyes of the public and Members of Congress.

Senator **DeConcini**. Of a stronger law enforcement?

Mr. **Hall**. That's correct.

Senator **DeConcini**. If the Select Commission on Immigration and Refugees ever does something, comes up with some recommendations, would you anticipate any greater desire on the executive branch to do something? Are they waiting for that? Is that one of the political considerations?

Mr. **Hall**. What would you say about that, Mr. Grant.

Mr. **Grant**. I feel that would be the case. If the Commission receives strong support for its recommendation by the executive branch and, in turn these receive endorsement by the Congress, then we have a partnership that can move forward.

INS BUDGET INCREASES

Senator DeConcini. How do you account for the fact that the Congress over the last 3 years has allocated, authorized and appropriated increases for border control on the illegal alien problem, and OMB and the administration have continuously not permitted them to fill those positions, taking the quotas out of the Border Patrol and Customs?

Mr. Grant. I don't have an answer for why the administration would make those choices.

Senator DeConcini. Well, it leads me to believe that there really isn't much emphasis from the administration, similar to what your report points out. I only wanted to show for the record that even though Congress has not acted on a national policy, it's very disturbing to see that the administration has not responded either. You pointed that out, and yet I can't see a whole lot of turnaround either on the Border Patrol, the Customs Service or the DEA, except maybe DEA and EPIC have a little more cooperative effort at least in Arizona.

Can you point to anything else, Mr. Grant, that you think they have done? Because I am looking for things to pat them on the back and say, "Hey, let's do some more."

BORDER RESOURCE STUDY

Mr. Grant. Well, one of the things I think that we were really encouraged by was the subcommittee's submission of a letter to OMB asking for a cost breakdown by activity at the border. This would provide a picture of the money being spent by the various agencies by functions.

This certainly isn't an overall answer, but it was encouraging to see OMB's reply that they will be working toward this for fiscal year 1981. It was at the urging of your subcommittee that they considered such a breakdown.

Mr. Hall. I might add that I think there is the need for a policy overseer. The President's domestic council has a small group which you referred to in your opening statement that provides some of this function, but it is not apparent that this group effectively speaks for the President to coordinate the policies of the various agencies, leading to an integrated strategy.

NEED FOR OVERSEER

Senator DeConcini. Are you saying then that Congress might have to create such a position, or authorize it, or do something along the lines of having someone within the executive who would be mandated to be directly responsible to the President to implement some of these things?

Mr. Hall. The coordination that apparently is necessary will not occur without that kind of congressional intervention.

STATE AND LOCAL ROLE

Senator DeConcini. So that's where the Congress could play a definite role, in your opinion?

Mr. Hall. In my opinion, that is correct.

Senator DeConcini. You have stated that the State and local law enforcement activities have not been effectively integrated into the Federal drug strategy. Do you have any suggestions, or could you comment about how that could be improved after you have done your study and your followup?

Mr. Hall. Yes, we have some comments on that. It is obvious that the Federal drug enforcement resources are only a part of the overall drug resources available to attack the drug abuse problem. Yet, in determining how it plans to deal with drug abuse, the Federal Government has not adequately considered the effect of its actions on State and local agencies. For example, in setting investigative and prosecution policies, the Federal Government shifted more and more of the load on State and local agencies. The overall strategy has not adequately taken this into consideration, and coordination problems have resulted.

One of the things that needs to be done is to have a committee to integrate the State and local level into the drug strategy with a clarification of roles each should play. Perhaps the definition of roles needs to consider the unique factors in various parts of the country, such as the Southwest. For example, different roles may be appropriate when shifts in trafficking occur, such as from the Southwest to the Southeast.

Senator DeConcini. Be able to move?

Mr. Hall. Yes. A central coordinating group should insure an organizational arrangement providing maximum flexibility.

Senator DeConcini. Are you familiar with some of the multistate projects, such as the quad State one, and now five or six other States multistate projects?

Mr. Hall. I am aware of it, but I am not thoroughly familiar with it. Maybe my colleagues might be.

MULTISTATE PROJECTS

Senator DeConcini. Mr. Gormley, have you had any experience with those multistate projects?

Mr. Gormley. Right. Myself and some of the staff in our offices visited NINA, and we have talked to some of the representatives. One of the things that came through was that the State and local viewpoint has not been given much attention in the setting up of the Federal strategy. As a result of not thinking the problem through and not defining the roles of the various participants, we found in our discussions concerning these cooperative ventures that there is a void of understanding between the various entities at the Federal, State, and local levels, as to what the role of each is and what the relationships should be among the agencies involved.

Senator DeConcini. Let me ask you this, you say there is a kind of a lack of understanding. Is there a lack of even awareness that some of these techniques have been developed on the local level?

Mr. Gormley. Yes.

Senator DeConcini. Did you find that to be the case?

Mr. **Gormley**. Yes, I would say that there is a definite lack of understanding as to what degree of cooperation exists at the local level as a result of the efforts of an agency like NINA. And I know, for example, that the people who have visited NINA have been very pleasantly surprised at the capability that is there; the ability to collect and analyze information for the officer on the street. That is a unique dimension that we don't see available to most local law enforcement officers.

Senator **DeConcini**. Would you agree that it would be foolish for the Federal Government to try to duplicate that, rather than try to cooperate and integrate into it and use it?

Mr. **Gormley**. I think there is a distinct role for Federal, State, and local agencies to play based upon where they sit, either internationally, on the border, or domestically. This requires an integrated Federal strategy that considers the State and local viewpoints along with the Federal.

I think, for example, if you look at EPIC and at the international arena, EPIC sits there with a lot of intelligence flowing in from outside the country, and they feed in a lot of information on the various dimensions of the problem for Federal as well as State and local agencies to use. So EPIC has a unique role to play that really can't be duplicated in a regional setup. But on the other hand, the Federal Government has a very difficult, if not an impossible task, of providing drug intelligence services at the regional and local levels. So I think there really is a need for integration, and that is slow in coming.

Senator **DeConcini**. Have you had any experience with any of the other multiple States like CININ or MOCIC?

Mr. **Gormley**. Yes, we visited CININ. CININ carries out predominantly a document-gathering function. They fill out information cards on individual subjects, and they help coordinate cases within their jurisdiction. But they do not, for example, have the capability of EPIC or NINA in terms of mechanization, nor do they have the resources that are being applied in Arizona for gathering and analyzing drug intelligence.

CININ is the only multi-State project we visited to date besides NINA. We have not visited any of the other regional or proposed regional setups.

Senator **DeConcini**. Thank you.

Yes, sir, Mr. Hall.

Mr. **Hall**. I just wanted to say that it wouldn't make sense to duplicate activities.

However, it does seem to me that it might be profitable to explore the intelligence network structure to determine the proper balance of the data to be retained at the Federal level and at the local level. Consideration then could be given to how they should cooperate. If we did have a policy group that was effectively functioning, they should pursue this issue.

COOPERATION AMONG FEDERAL AGENCIES AND MULTISTATE PROJECTS

Senator **DeConcini**. Now, you are aware, Mr. Gormley, that with NINA there are Custom agents, and DEA agents. I don't know if there is any FBI agents assigned there on a fulltime basis. That obviously has got to promote greater cooperation, and that's something that has just occurred in the last year or maybe year and a half that I am aware of.

Mr. **Gormley**. Well, I think, getting back to your earlier question regarding EPIC, that in our work, we have seen an increased understanding, as well as an increased exchange of information. There have also been some changes in EPIC's information exchange policies that have loosened up the information for better dissemination on a quicker basis to State and local agencies.

Senator **DeConcini**. Now that really takes a policy from the Federal level, does it not?

Mr. **Gormley**. I think it does to really carry it through so that there are no hard feelings and misunderstandings. A lot of times you just have a difficult time communicating when you have a vested interest. It's difficult for an involved agency to stand back by itself and objectively determine what the proper rules and relationships should be for organizations at the Federal, State, and local levels.

Senator **DeConcini**. I think the record should show that DEA, and particularly EPIC has expanded the availability of their sources to local government, and that obviously is important to continue and to continue to expand; right?

Mr. **Gormley**. That's correct. I think that, when it comes to law enforcement, EPIC is unique in its sharing of intelligence between Federal, State, and local agencies.

Senator **DeConcini**. What I think you are telling me is, to continue that, we need someone—the executive branch, authorized by the Congress, to be sure that it continues to happen and doesn't change all of a sudden?

Mr. **Hall**. I think that's correct, Senator. But I would like to add one other point. We made a suggestion in our October 25, 1979 report that the Congress consider establishing a joint commission. It isn't the only alternative that would be available to the Congress. The Congress could establish a different committee structure or pursue other options. But the problem of drug abuse is so significant that it may not be effectively dealt with if there isn't close coordination between the legislative branch and the executive branch. There also seems to be a need for someone at the President's right hand overseeing the Federal drug strategy to have the effective mechanisms that are necessary.

Senator **DeConcini**. Gentlemen, thank you very much. You have been extremely helpful in demonstrating the value of GAO, but also the knowledge that you have acquired in the subject matter. We may call on you from time to time to help us construct some of this legislation and get your reaction to it.

Mr. **Hall**. We appreciate the opportunity of being here, Senator.

Senator **DeConcini**. Thank you.

STATEMENT OF SANDI MacCONNELL, COMMUNITY ORGANIZATION FOR DRUG ABUSE, MENTAL HEALTH AND ALCOHOL SERVICES, INC., PHOENIX, ARIZ.

Senator **DeConcini**. Our next witness is Sandi MacConnell of the Community Organization for Drug Abuse, Mental Health & Alcohol Services, Inc., Phoenix, Ariz.

Sandi, thank you very much for being with us today. We appreciate the time and many long hours and months and years that you have put into this effort, and we welcome hearing from you today.

Ms. MacConnell. Thank you, and good morning. If you have a copy of my last report to follow in front of you, I think I will just go right through and show you some historical information and tell you what is happening today.

Senator DeConcini. Please proceed. We will have in the record the full statement or report with all the charts and what have you. It will be very helpful to us.

[The statement follows:]

STATEMENT OF SANDI MACCONNELL CODAMA SERVICES, INC.

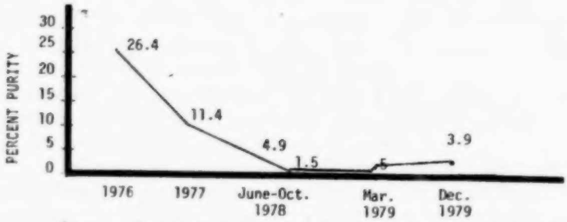
This report will continue to track trends and update information discussed in previous meetings and reports.

In November, 1979, Phoenix saw an increase of Middle East heroin, the purity being much greater than the supply from Mexico which our addicts have become accustomed to. As of the first of the year (January, 1980) our informants started to report more white heroin predominately in the Scottsdale area, slowly filtering into metro-Phoenix. With the influx of Middle East heroin, the demand for Mexican brown started decreasing until the competitiveness of both suppliers brought purity to a much higher percentage than in the recent past. We have had several Mexican brown buy-busts where purity has been as high as 13% street level.

Figure 1 illustrates the recent increase in average heroin purity.

Fig. 1

HEROIN PURITY



Source: Drug Enforcement Administration, Oct. 1978-Mar., 1979, Dec. 1979
Phoenix Police Department, Oct. 1978-Mar., 1979, Dec. 1979

Table I shows current (as of April 1980) street prices of drugs. A gram of heroin is selling for $150.00 for Mexican brown and $400.00 to $500.00 for Middle East.

Dilaudids are now $35.00 - $45.00 per 4 milligram unit. Percodans are $20.00.

TABLE I

NARCOTICS PRICE SURVEY
PHOENIX POLICE DEPARTMENT
DRUG ENFORCEMENT ADMINISTRATION
CODAMA SERVICES

APRIL, 1980

DRUG		QUANTITY	PRICE
Heroin	Mexican Brown	Kilo	$35,000-40,000
		Pound	10,500-15,400
		Ounce	1,200.00
		1/2 Ounce	500.00
		1/4 Ounce	300.00
		Gram	150.00
		Spoon (2 Grams)	300.00
		1/2 Gram	75.00
		Balloon	45.00
	Middle East	Gram	400.00-500.00
		Paper	50.00
Cocaine		Kilo	$69,000
		Pound	39,000-40,000
		Ounce	2,200-2,800
		Spoon (2 Grams)	175.00
		Gram	110.00
Marijuana	Commercial	Pound (Over 50 Kilos)	$75.00
		Pound (1-100 pounds)	150.00-200.00
		Ounce	40.00
	Columbian	Ounce	60.00
		Pound	520.00
Hash Oil		1 Fl. Oz. or 30 Ml.	$150.00
Hashish		Kilo	$3,500.00
		Pound	2,000.00
		Ounce	250.00
		Gram	10.00
Barbiturates		Keg (50,000 Units)	$3,500-4,500
		1/2 Keg (25,000 Units)	2,000-2,500
		Jar (1,000 Units)	80.00
		Bag (100 Units)	10.00
		Roll (2 Units)	3.00
		Unit	2.00
		Gram	30.00
Dilaudids		Unit	35.00-45.00
Percodan		Unit	15.00-20.00
Qualudes		Unit	5.00
Amphetamine		Keg (50,000 Units)	$3,500-4,500
		1/2 Keg (25,000 Units)	2,000-2,500
		Jar (1,000 Units)	80.00-100.00
		Bag (100 Units)	15,00-20.00
		Roll (3-5 Units)	5.00
		Gram	30.00

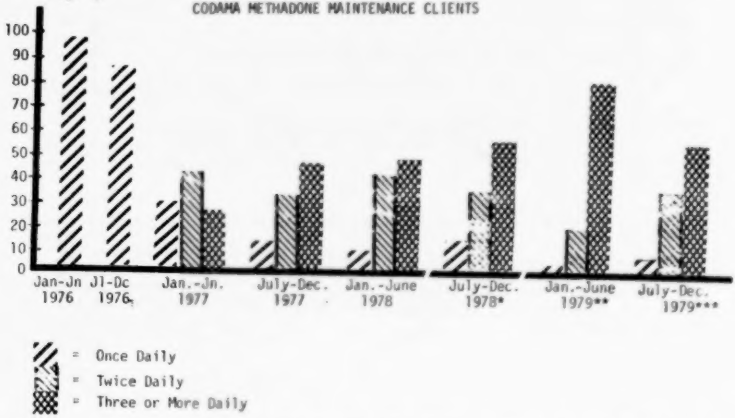
DRUG	QUANTITY	PRICE
Desoxyphedring Crystal (Methamphetamine, Speed)	Unit	$ 5.00
	Gram	70.00
Peyote	Gram	Unk
	Unit	2.00
	Button	2.00
LSD	Pound	Unk
	Ounce	Unk
	Unit	2.50-3.00
	Gram	50.00
Codeine and Other Synthetic Opiates	Gram	$50.00
	Unit	10.00
Methadone	Liquid 1 Fluid Oz.	Unk
	Powder Grams	Unk
	Tablet	5.00
Other Hallucinogens	Unit	$ 5.00
PCP - Angel Dust	Gram	$30.00-50.00
	Unit	5.00
	Sherman Cigarette	20.00
	Pound	12,000.00
	Ounce	800.00
	Mint Leaves/Parsley - Ounce	500.00
	Marijuana - Ounce	50.00
Thai Sticks	Pound	Unk
	Ounce	Unk
	Gram	Unk
	Stick	25.00

The frequency with which heroin is being used has decreased slightly, showing more users fixing two - three times a day, rather than the more than three times daily. The amount of heroin being used is still one gram per fix.

FREQUENCY OF USE AS REPORTED BY

Fig. 2

CODAMA METHADONE MAINTENANCE CLIENTS



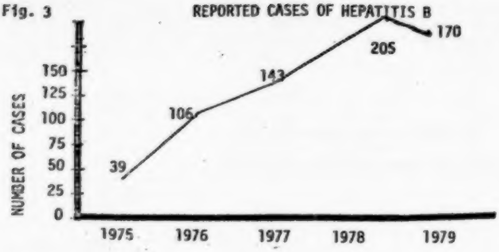
*This appears to be a transition period for heroin users. Until the end of June, 1978, the trend was one paper per fix. As of July, 1978, the purity of heroin still dropping, the users began using more than one paper per fix.

**January, 1979, shows a noticable increase in the amount of heroin being used, one gram of adulterated heroin per fix.

***Purity shows a slight increase and the number of fixes shows a decrease.

There were 170 reported cases of Hepatitis B; there still seems to be some evidence that the likely cnadidate for this disease is the user is his/her first year of use.

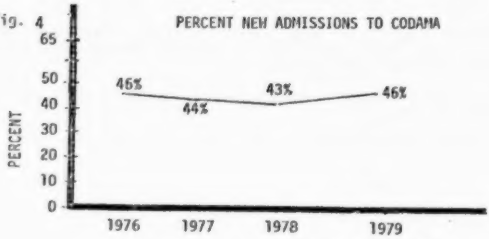
Fig. 3 REPORTED CASES OF HEPATITIS B



Source: Bureau of Epidemiology and Laboratory Services
Arizona Department of Health Services

New admissions for the first half of 1979 rose to 64% and dropped way down the last half of the year for an overall 46%. The total number of unduplicated admissions for 1979 were 3,280 clients. Forty-six percent(1,509) are new admissions, never been in treatment. Opiates accounted for 52%, 30% for polydrug, and 14% for use of marijuana.

Fig. 4 PERCENT NEW ADMISSIONS TO CODAMA

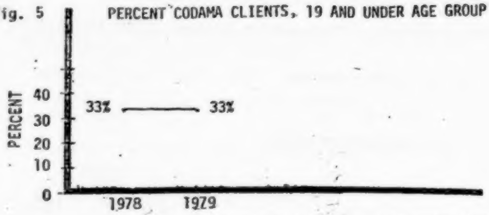


The percent new admissions to CODAMA (Multimodality Drug Treatment) remained relatively stable at 44-46 percent.

Source: CODAMA Services, Inc., Phoenix, Arizona

Taking a percentage of all drug clients 19 and under, we find that for 1978 and 1979 33% are in this age group.

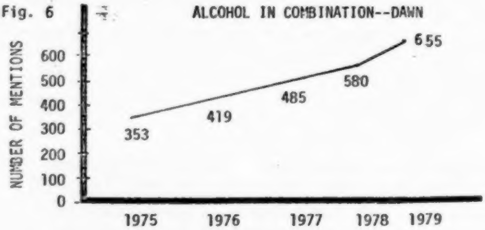
Fig. 5



The percent of CODAMA clients 19 and under (multimodality drug treatment) has remained the same for 1978-1979.
Source: CODAMA Services, Inc., Phoenix, Arizona

Alcohol in combination with other drugs continues to increase. DAWN shows an 11% increase for 1979.

Fig. 6



Source: Drug Abuse Warning Network

DAWN data again show a decrease in heroin emergencies, while Terros Crisis reports a 27% increase for 1979. The rising of purity seems to be creating greater emergency problems.

The number of Dilaudid emergencies increased 86% (Terros Crisis) with more persons using the drug as a substitute for heroin.

Cocaine mentions have increased 64% (Terros Crisis) from 1978 to 1979. The age of the users being 15 to 24.

Valium mentions for DAWN have decreased slightly from 435 in 1978 to 374 in 1979. Terros reports 162 mentions, with 78 classified as suicide gestures.

The last half of 1979 shows an increase in amphetamines mentions. DAWN 101 and Terros 128.

Drug to watch is Fiorinal #3. In November-December, 1979, Terros saw 29 overdose emergencies.

TABLE II

CRISIS EMERGENCY MENTIONS

DAWN			TERROS	
1978	1979		1978	1979
142	100	Heroin	164	224
33	53	Cocaine	44	123
40	33	Non Rx Methadone	14	25
19	34	Dilaudid	15	104
580	655	Alcohol in Combination	564	608
104	87	Amitriptylene	21	59
77	86	PCP	122	113
35	51	LSD		112
149	153	Dalmane		123

Tip-Off high School Survey summary sheet has been updated in this report. Some information of importance is: hard drug usage is increasing, marijuana usage jumped from 46% in 1977 to 79% in 1979, and heroin use which remained stable from 1973 through 1977 at 5% has increased to 13% in 1979. While the students do not feel drinking has become more of a problem, many more students are drinking because they enjoy it and they are obtaining alcoholic beverages at home with parental consent.

TABLE III

TIP-OFF SUMMARY SHEET

High School Survey
Sponsored by Phoenix Newspapers, Inc.
Arizona Republic, Phoenix Gazette

	69	71	73	75	77	79
Do you think marijuana usage among teenagers is increasing?		66%	57%	59%	65%	68%
Do you think hard drug usage is increasing?			34%	30%	35%	38%
If you learned your best friend was taking drugs, would you urge him to seek help?		55%	58%	57%	66%	70%
Which of the following drugs should be legalized?						
Marijuana	27%	33%	36%	37%	39%	33%
If marijuana was legalized, would you use it? (Yes)	19%	26%	30%	31%	30%	29%
Have you taken drugs? (Once, experiment)	6%	9%	5%	14%	15%	15%
Have you ever been offered the opportunity to obtain illegal drugs? (Yes)	50%	65%	73%	62%	76%	88%
Would you take drugs if you had the chance? (Yes)	29%	32%	36%	41%	41%	33%
Have you taken						
MJ	14%	28%	39%	37%	46%	79%
Heroin	3%	4%	5%	5%	5%	13%
PCP					12%	12%
Have you ever been busted on drug-related charges? (Yes)		4%	4%	8%	9%	8%
Do you think drinking among high school students is becoming more of a problem? (Yes)	28%	22%	28%	33%	31%	31%
Do you ever drink alcoholic beverages? (Yes)	59%	73%	76%	80%	77%	88%
What do you drink? (Beer)	41%	49%	54%	62%	57%	75%
Why do you drink? (Enjoy it)	35%	52%	48%	61%	58%	78%
By which of the following methods do you obtain alcoholic beverages? (At home with parents' consent)	23%	34%	28%	33%	28%	38%

A P P E N D I X

OVERDOSE DEATHS IN MARICOPA COUNTY

	1975	1976	1977	1973	1979
TRANQUILIZERS					
Chlorpromazine	3		1	2	1
Despramine			2		
Diazepam	3	7	1		7
Doxepin	2	5	8	3	9
Impramine			2		
Meprobamate	2	1	1		1
Phenothiazine	1		1		
Thioridazine	2		1	5	
BARBITURATE SEDATIVES					
Amobarbital		1			1
Belladonna			4	5	
Phenobarbital	2	2	1		9
Pentobarbital (Nembutal)	17	14	11	14	5
Secobarbital	9	10	8	6	6
NON-BARBITURATE SEDATIVES					
Chloral Hydrate			3		
Doriden	1	1	1	2	
Flurazepam			2		11
Glutethimide	2				2
Methaqualone	2				1
NARCOTIC ANALGESICS					
Cocaine	2	3	4	3	4
Codeine	1			2	1
Dilaudid	1	1	1		
Meperidine			1	1	
Methapyrilene	1		1		
Percodan		1			
Dionin					1
NON-NARCOTIC ANALGESICS					
Phenactin			1		
Pentazocine		1		1	
Propoxphene (Darvon)	24	20	25	26	14
Salicylamide	1	6	3	2	4
PSYCHOSTIMULANTS					
Amitriptylene (Elavil)	5	6	8	12	9
HALLUCINOGENS					
Peyote		1			
Psilocybin		1			
Water Hemlock			1		
INHALANTS					
Chloroform		1			
Glue				3	
Paint			1		
Pam	2	3	1	1	
POISON					
Cyanide	1	2	1		1
Strychnine	2				2
HEROIN	85	85	25	26	9
Methadone					3
ALCOHOL	18	17	9	.5	
ALCOHOL IN COMBINATION WITH OTHER DRUGS	28	19	24	17	11

Arizona Department of Health Services

PHOENIX SMSA

	CY 76		CY 77		CY 78		CY 79	
Number of Thefts	Jan-Jun.	Jul.-Dec.	Jan-Jun.	Jul.-Dec.	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Sept.
Pharmacies	29	15	22	15	34	26	53	19
Practitioners	0	0	2	0	3	2	3	0
Manuf/Distrib.	0	0	2	0	3	0	1	0
Other	3	5	3	4	1	0	4	4
Total	32	20	29	19	41	28	61	23
Volume Lost (Dosage Units x 1000)								
Opium	0.8	0.8	0.2	-	0.3	0	0.5	0.1
Morphine	0.6	-	-	0.1	0.2	1.1	0.2	0.2
Codeine	7.8	4.5	5.9	5.6	5.6	6.2	10.0	7.4
Cocaine	1.1	5.3	3.6	0.4	0	2.6	-	-
Methadone	0	0	0	0	0	0.4	0.2	0.1
Pethedine	3.5	1.9	1.4	5.2	2.1	1.7	8.2	4.2
Oxycodone	14.2	5.2	9.9	4.1	13.4	3.2	20.2	2.7
Dilaudid	1.7	1.4	0.4	0.2	1.7	4.0	7.1	2.6
Misc. Narc.	4.2	0.2	0.8	-	0.1	0.2	0.2	1.2
Total Narcs.	33.9	19.3	21.2	15.7	23.4	19.4	46.6	18.5
Amphetamines	9.5	3.1	7.7	3.1	2.9	0.6	9.8	2.8
Barbiturates	27.5	14.2	27.3	5.5	22.4	1.1	30.0	6.7
Stimulants	9.2	1.1	11.9	1.8	16.2	1.5	11.2	1.2
Depressants	45.9	20.2	42.4	28.0	77.4	20.1	55.4	15.7
Total Stolen	126.0	57.9	110.5	54.1	142.3	42.7	153.0	44.9

ARIZONA

	CY 76		CY 77		CY 78		CY 79	
Number of Thefts	Jan.-Jun.	Jul.-Dec.	Jan-Jun.	Jul-Dec.	Jan-Jun	Jul-Dec.	Jan-Jun	Jul-Sept.
Pharmacies	43	27	44	26	48	34	77	31
Practitioners	0	0	3	1	4	2	5	0
Manuf/Distrib.	1	0	2	0	3	0	1	0
Other	8	11	9	4	7	3	5	4
Total	52	38	58	31	62	39	88	35
Volume Lost								
(Dosage Units x 1000)								
Opium	1.0	0.9	0.5	0.1	0.7	0.6	0.9	0.1
Morphine	1.5	0.2	0.8	0.5	0.6	1.5	1.0	0.7
Codeine	13.1	6.9	18.3	8.7	9.0	8.8	19.6	12.0
Cocaine	1.8	5.3	8.8	2.1	0.3	4.6	9.0	4.3
Methadone	0	0	0.3	0	0	0.4	0.3	0.1
Pethedine	7.1	3.5	9.4	6.5	9.5	3.0	11.7	7.1
Oxycodone	19.2	7.9	20.4	7.7	18.4	4.5	28.7	11.5
Dilaudid	3.4	2.2	1.7	0.4	2.7	4.4	8.2	3.2
Misc. Narc.	5.8	0.2	4.8	1.1	0.2	0.8	0.6	1.2
Total Narcs.	52.9	27.1	64.4	27.2	41.4	28.6	80.0	40.2
Amphetamines	32.1	8.0	16.7	6.0	11.0	5.9	15.1	9.6
Barbiturates	50.1	26.6	53.9	24.4	32.4	10.9	46.4	14.4
Stimulants	22.4	7.2	20.9	6.8	21.6	4.1	18.5	5.0
Depressants	67.3	36.3	92.9	53.5	103.1	31.7	79.4	38.5
Total Stolen	224.8	105.2	248.8	117.9	209.5	81.2	239.4	107.7

CRIME IN THE UNITED STATES*
Number of Offenses Known to Police
in Cities of 100,000 and Over
TOP 11

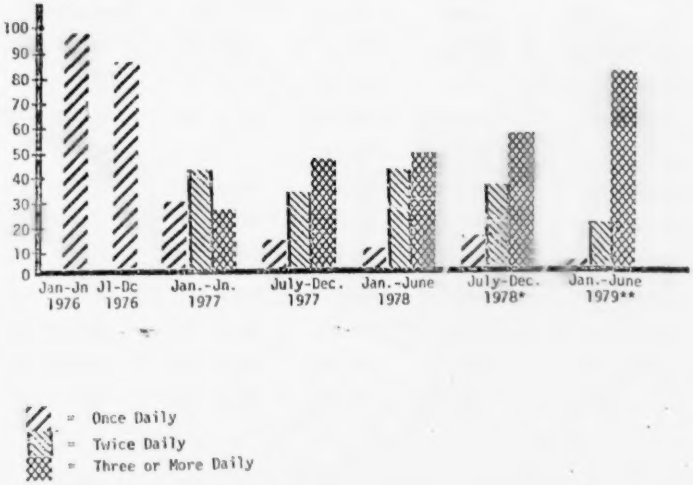
Rank Order by Crime Index	City	TOTAL Crime Index	Population	No. of Violent Crimes and (Rank Order)	No. of Property Crimes and (Rank Order)
1.	Las Vegas, NEV	9417.4	367,905	978.0 (2)	8439.4 (2)
2.	Daytona Beach, FLA	9344.8	219,748	728.1 (8)	8616.7 (1)
3.	PHOENIX, AZ	8716.3	1,294,054	621.1 (9)	8095.2 (3)
4.	Reno, NEV	8612.5	165,248	594.3 (10)	8018.3 (4)
5.	Fresno, CA	8473.8	477,636	781.3 (6)	7692.5 (6)
6.	Orlando, FLA	8435.4	592,822	897.7 (3)	7537.7 (8)
7.	Miami Beach, FLA	8406.5	1,432,086	1274.6 (1)	7131.9 (11)
8.	Tucson, AZ	8342.9	455,635	500.0 (11)	7842.9 (5)
9.	Sacramento, CA	8310.5	951,073	729.4 (7)	7581.1 (7)
10.	Gainesville, FLA	8230.8	130,303	788.9 (5)	7441.9 (9)
11.	San Francisco, CA	8046.8	3,181,571	819.7 (4)	7227.1 (10)

NOTE: Violent crimes are offenses of murder, forcible rape, robbery and aggravated assault. Property crimes are offenses of burglary, larceny/theft, and motor vehicle theft.

*This tabulation is from information extracted from CRIME IN THE UNITED STATES 1978, U. S. Government Printing Office, Washington, D. C., released Oct. 24, 1979

FREQUENCY OF USE AS REPORTED BY CODAMA METHADONE MAINTENANCE CLIENTS

Fig. 4

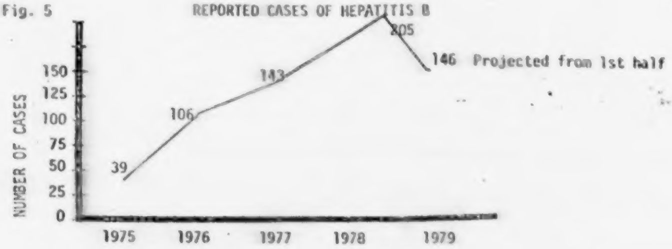


*This appears to be a transition period for heroin users. Until the end of June, 1978, the trend was one paper per fix. As of July, 1978, the purity of heroin still dropping the users began using more than one paper per fix.

**January, 1979, shows a noticable increase in the amount of heroin being used, one gram of adulterated heroin per fix.

With a projected number of 146 reported cases of Hepatitis B, this variable still seems to be a poor indicator of drug use, especially since low purity increases the frequency of use, with the large numbers of cases reported Hepatitis unspecified origin.

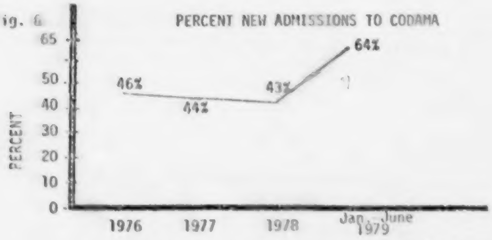
Fig. 5



The number of reported cases for serum hepatitis has increased a total of 44 percent from 1977 through 1978.
Source: Bureau of Epidemiology and Laboratory Services
Arizona Department of Health Services

Again projecting for the total year 1979, the number of unduplicated admissions for drug use will be 2,800 clients. 64% (1,792) are new admissions, never been in treatment. This is an increase of 21% over the past few years. Opiates accounted for 82%, 16% for polydrug, and 3% for use of Marijuana.

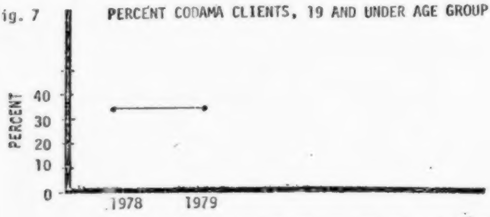
Fig. 6



The percent new admissions to CODAMA (Multimodality Drug Treatment) remained relatively stable at 44-46 percent from 1976 through 1978. The percentage of new admissions rose to a high of 64% from January - June, 1979.
Source: CODAMA Services, Inc., Phoenix, Arizona

Taking a percentage of all drug clients 19 and under, we find that for 1978 and projected 1979 33% are in this age group.

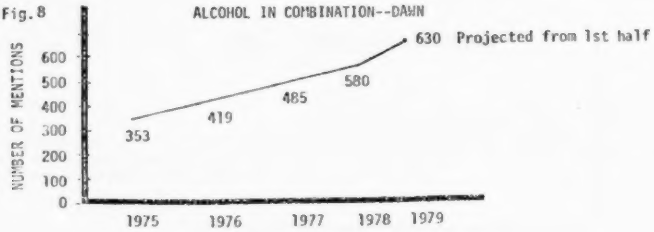
Fig. 7



The percent of CODAMA clients 19 and under (multimodality drug treatment has remained the same for 1978-1979.
Source: CODAMA Services, Inc., Phoenix, Arizona

Alcohol in combination with other drugs (DAWN) continues to increase. We have just started to look at patterns of "the other drugs;" and Dilaudid and Diazepam (Terros Crisis, 1978-79) have the highest number of mentions.

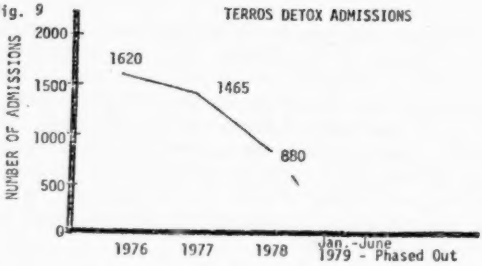
Fig. 8



Source: Drug Abuse Warning Network

Because the need for heroin detoxification has been declining over the past 1½ years, a phasing out process started in January, 1979, and clients were being referred to Methadone detox facilities. Therefore, we will not be reporting data from Terros detox clients.

Fig. 9



DAWN data show a marked decrease in Heroin emergencies, while Terros Crisis reports an increase. The rising of purity might even create greater emergency problems in the near future.

The number of dilaudid emergencies projected for 1979 have doubled in one year with more persons using and depending on the drug to hold them over until their next Heroin fix. The price of a 4 milligram dose has gone from $25 to $35. In a recent study (Recidivism, D. Rhoads, 1979), more than half of the respondents have used dilaudid two or more times per month, with one-third using daily.

Dalmane mentions have doubled from 1978 to 1979, one capsule selling for $3.75 on the street.

Methaqualone Lemmon 714 is selling for $5 street buys.

LSD has emerged again in our city. Dawn mentions 35 in 1978, 62 projected for 1979. Terros Crisis had no mention in 1978; but projected for 1979, there are 50 mentions.

Cocaine mentions are way up again, double the number from 1978 to 1979, Terros Crisis.

Valium continues to be a problem with 173 mentions (January to June, 1979) by DAWN. Terros data show valium being used in combination with other drugs constituting polydrug use. Terros reported 146 polydrug crisis emergencies, 49 of which were classified as suicide gestures.

TABLE 1

CRISIS EMERGENCY MENTIONS

DAWN			TERROS	
1978	1979*		1978	1979*
142	84	Heroin	164	202
33	44	Cocaine	44	96
40	28	Non Rx Methadone	14	32
19	34	Dilaudid	15	82
580	615	Alcohol in Combination	564	404
104	88	Amitriptylene	21	60
77	86	PCP	122	80
35	62	LSD		50
149	166	Dalmane		124

*1979 total figures have been projected from the first half of the year.

PURITY OF HEROIN

Ms. MacConnell. As you can see, in 1976, our heroin purity was 26 percent. And as of March 1979, it had gone down to one-half percent. The next reports I received were 3.9 percent in June of 1979, and slight increases all the way to the first of the year.

We have been seeing an increase of heroin from the East, coming in at a very high purity rate, which has caused some competition between Mexican and Middle East heroin suppliers which has been coming in at a much higher purity. From the 3.9 percent, we have seen a 9 percent, 11 percent, and a 13 percent street level purity from Mexican heroin.

Senator DeConcini. That's as of June of 1979?

Ms. MacConnell. That started in January of 1980.

Senator DeConcini. By January of 1980?

Ms. MacConnell. Right. But we saw an increase all the way through the rest of the year 1979. Very slight, but definitely an increase.

Senator DeConcini. What do you anticipate it is today?

Ms. MacConnell. I think it's about 9 percent today.

Senator DeConcini. You do?

Ms. MacConnell. Mexican heroin, yes.

The heroin that's coming in from the East is coming in very high. For the past 2 years our heroin users here have been shooting more than a gram 3 times a day, the Eastern heroin coming in can now—1 gram can be divided into eight fixes a day.

Senator DeConcini. And how does that compare to a year ago or sometime in the past?

Ms. MacConnell. A year ago?

Senator DeConcini. Yes, or 2 years ago?

Ms. MacConnell. A year ago they were shooting a gram of adulterated Mexican heroin at 5 percent pure—excuse me, at one-half percent pure.

Senator DeConcini. Half a percent?

Ms. MacConnell. Yes. And they were shooting this gram more than 3 times a day. So they were shooting 3 to 4 grams of adulterated heroin.

The Eastern as of the first of the year, they have been dividing that 1 gram into eight fixes, using one or two of these fixes per day. So the potency is definitely back up.

While in June of 1979, Mexican heroin was costing $75 a gram, Eastern heroin is costing $400 a gram. That's an increase from $2,500 an ounce to approximately $8,000 to $9,000 an ounce.

The frequency of use, has been plotted for our detox clients and for our methadone maintenance clients, they are still shooting more than 3 times a day; shooting 1 gram more than 3 times a day. If, as we see, the purity rising and our users are used to one-half percent pure, our emergency rooms are going to be deluged with incoming traffic.

Senator DeConcini. With overdoses?

Ms. MacConnell. Overdoses.

Senator DeConcini. Has that gone up appreciably?

Ms. MacConnell. Has it started, yes.

Senator DeConcini. What kind of numbers are you talking about since this?

Ms. **MacConnell**. We are seeing sometimes five to nine a day.

Senator **DeConcini**. Have you had any deaths?

Ms. **MacConnell**. So far this year I haven't had the report. We have seen none.

Reported cases of hepatitis B, we are still using that as a variable to predict heroin use or drug use. It really is not a good indicator. Hepatitis B can be gotten from a dirty needle, or cotton poisoning, so we are leaving the variable in. Perhaps some day it will prove valuable.

Our percent of new admissions to CODAMA increased 21 percent from 43 to 64 percent new admissions. Of that 64 percent in admission, 82 percent accounts for opiates, 16 percent for polydrug, and 3 percent for marihuana use. That was a very large increase of new admissions.

DRUG USE AMONG HIGH SCHOOL STUDENTS

If you are sitting with the Tip-Off Summary Sheet in front of you also, that one paper I handed out, I got those figures at 7 o'clock this morning so please excuse the fact that they are not typed in. I wanted to show why there might be an increase.

Tip-Off, by the way, is a high school survey produced by the Republic and Gazette, and comes out once every 2 years. They survey freshmen through seniors.

The figures are a little alarming in some areas. "Have you ever been offered the opportunity to obtain illegal drugs?" The "yes" answer is 88 percent.

"Have you ever taken marihuana?" From 46 percent to 79 percent.

"Have you ever taken heroin?" Five percent to thirteen percent. That's an alarming figure, gentlemen.

PCP, which had not been on our files before 1977, is still remaining at 12 percent. This I have been told is daily use. PCP is, I think, one of the worst drugs we have out on our streets today. It is a psychotic drug. On Friday and Saturday nights on our Central Avenue, our youths use it, and they ride up and down the streets with loaded revolvers on the seats of their car. They would just as soon kill you, as me, as themselves.

"Do you drink alcoholic beverages?" "Yes," 88 percent.

"Why do you drink?" "Beer, we enjoy it," 58 percent to 78 percent.

"Where do you obtain your alcoholic beverages?" "At home with parents' consent," from 28 percent to 38 percent.

We are seeing increases.

Senator **DeConcini**. Do you—if I could interrupt you just a moment, do you think that has any bearing on the fact that parents are trying to get their kids to drink rather than use other drugs?

Ms. **MacConnell**. I think that drinking has been around for years and there will always be the curious experimenters. I don't believe that parents are trying to switch their children from drugs to alcohol. I just think it's there.

Senator **DeConcini**. How much of that do you think has to do with lowering the age?

Ms. MacConnell. I always found someone 21 or older to buy a bottle of beer if I wanted it. There will always be——

Senator DeConcini. But now it's what, 19?

Ms. MacConnell. Nineteen; right. So it was 21.

Senator DeConcini. Yes, the same with me. But I just wondered what your attitude or what your comments are. When it was 21 and you were 16 or 17, it was a little bit harder. When it's 19 and you are 16 or 17, it's a lot easier to buy it yourself; would you agree?

Ms. MacConnell. That's true. Most persons today look older than they really are.

Senator DeConcini. Do you find, dealing with clients and some of the people you have, that this same age difference has had any influence with parents being a little more lenient? Rather than waiting for the child to be 18 when it was 21, now they are willing to let them drink when they are 17 now that it's 19?

Ms. MacConnell. I do find that there is a little more leniency.

Senator DeConcini. I am just surprised at the tremendous increase there. Thank you.

Ms. MacConnell. Our CODAMA clients have been running about 35 percent, 19 and under. And since I haven't had a chance to take a look at the first part of this year, I am assuming that it will be a little higher.

Alcohol in combination, that continues to increase. We started to look at what the alcohol in combination meant. That's in combination with valium; that is a killer. And with darvon. It seems that our heroin users—I can't call them addicts or abusers today because of our purity that has been—but our addict population or our user population has not substituted alcohol in combination with other drugs, but has sort of boosted their high with alcohol and prelupin valium.

USE OF DILAUDID

Dilaudid here is a very bad problem. In 1978, early 1979, we had many pharmacy ripoffs, burglaries, and armed robberies. And we find that pharmacies are not stocking dilaudid anymore. There are big signs that say, "We do not carry dilaudid. We have none on our shelves," which is kind of stopping the pharmacy ripoffs. It hasn't stopped it completely.

Senator DeConcini. Is dilaudid received in the body by injection primarily?

Ms. MacConnell. It can be. You usually have a 4-milligram tablet which can be diluted and shot.

Senator DeConcini. What is its effect?

Ms. MacConnell. It is a morphine base.

Senator DeConcini. It is a morphine base?

Ms. MacConnell. Yes. It is a pure form. So most of our using population has gone to dilaudid when they can get it.

We find that they are also boosting with a drug called preludin, which is an amphetamine which also produces a psychotic effect. I found that in one year 59 violent crimes were committed by persons that had preludin in the bloodstream.

The Terros Detox admission have declined and we did close the program. Because of low heroin purity there was no need for a detox program. They were self-detoxing on a one-half percent pure.

Senator DeConcini. Is that right?

Ms. MacConnell. Yes.

Senator DeConcini. And when you self-detox on one-half percent pure, can you get off it?

Ms. MacConnell. Can you get off of it?

Senator DeConcini. Yes, by yourself?

Ms. MacConnell. Sure you can if you are of that mind. I think that the addicts that I have spoken to, or the users that I have spoken to are needle dependents; emotionally dependent rather than dependent on the drug itself. So what they are shooting is whatever heroin is cut with.

Senator DeConcini. Yes.

RELIABILITY OF DAWN SYSTEM

Ms. MacConnell. Dalmane is a sleeper. When a heroin addict can't sleep because they are in pain, they will go in for a prescription, and the doctor will give them dalmane. In 1979, for the first half of the year I projected 124 emergencies for dalmane. That was just for Terros; 166 through DAWN.

Heroin emergencies, DAWN does not get them all. Most of them come through our Terros Crisis, which does not report to DAWN. And I am sorry that they don't. DAWN would be a very useful instrument if they caught everything that was coming in, which they cannot. It is impossible. It helps—well DAWN shows us how many females are using without me going through a deck of cards to sort them. It will tell me how they found it; illegal methods, if they were selling; if they were buying; if they were chipping.

DAWN does have its place. I would like to see it a little more often. I receive my DAWN printouts directly from the bureau of forecasting through NINA.

Senator DeConcini. Do you think it's a reliable indicator?

Ms. MacConnell. If you are using emergency room episodes only, I do not think that it's a reliable indicator. There is no way of head counting today through emergency rooms because no one is or has been in the past 2 years overdosing on the amount of heroin that they are receiving.

Senator DeConcini. What do you think should be done to improve DAWN? Do you have any suggestions? And what would be the first one?

Ms. MacConnell. The first one would probably be to include our Terros Crisis Center in their reports. I think Terros gives us a much, much better picture of what is happening on our streets.

As far as DAWN is concerned, I find it a good reference.

Senator DeConcini. But could be improved by expanding and having Terros involved in it?

Ms. MacConnell. And for having all hospitals reporting the same way.

Senator DeConcini. Yes, and having all hospitals report the same way.

Ms. MacConnell. Right.

COST OF DRUG HABIT

Senator DECONCINI. Do you have an average cost, or would you care to speculate on what it costs to support a habit today in Phoenix, Ariz.; heroin habit, or any of these others?

Ms. MACCONNELL. I believe that it is costing a heroin addict at least $100 a day.

Senator DECONCINI. OK.

Ms. MACCONNELL. And if they are burglarizing to feed that habit, they will have to burglarize four times that amount per day.

Senator DECONCINI. How does that compare to a year ago? Is that what it is? Was it $25 a day a year ago, would you say?

Ms. MACCONNELL. It was $100 a day. They would have to steal four times that much.

Senator DECONCINI. What do you think it was a year ago?

Ms. MACCONNELL. It was the same a year ago.

Senator DECONCINI. It was?

Ms. MACCONNELL. It's going to get worse this year.

Senator DECONCINI. Is that an increase over, say 5 years; or do you know?

Ms. MACCONNELL. No; that's a decrease because of the decreasing purity and the fact that they were switching to other drugs.

Dilaudid is by no means a cheap habit. Four milligram tablets, it is costing them $30 to $35. That particular fix is only holding them about 4 hours. So they are shooting an approximate $100 a day.

Senator DECONCINI. Can you explain something to me? When you get down to a low purity of one-half, is there any lesser desire physically or emotionally to not have as much during a set period of say 12 or 24 hours?

Ms. MACCONNELL. No.

Senator DECONCINI. The user is awake and around?

Ms. MACCONNELL. No; there is no less desire.

Senator DECONCINI. There is no less desire, so they just have to have more frequent availability of it?

Ms. MACCONNELL. Right, or other drugs?

Senator DECONCINI. Or other drugs. And you demonstrate here many of them are turning to other drugs?

Ms. MACCONNELL. Yes.

Senator DECONCINI. Which are just as damaging, or maybe worse?

Ms. MACCONNELL. They are worse.

Senator DECONCINI. Do you find a greater increase in alcohol and drugs together?

Ms. MACCONNELL. Yes. And that increase is up every year. And with our growing population, we have assumed for years that 1 percent of our population use heroin. So with every 50,000 persons that come in, we have 500 more addicts.

Our senior citizens are all using prescription drugs and alcohol.

Senator DECONCINI. But they are legal, right?

Ms. MACCONNELL. Yes; true.

Senator DECONCINI. Do you find in your efforts, Sandi, that these are still young people primarily that you are dealing with?

Ms. MACCONNELL. Yes.

Senator DECONCINI. And that you come across?

Ms. MacConnell. From age 8 to 25, we are seeing quite an increase.

Senator DeConcini. And what is the economic base, is it generally poor?

Ms. MacConnell. No; definitely not.

Senator DeConcini. You find a lot of affluents that have to go commit crimes in order to satisfy this kind of habit?

Ms. MacConnell. Yes, because it's difficult to explain to a parent that you need $35.

Senator DeConcini. Yes, for a hit.

Ms. MacConnell. To go out and buy Dilaudid, or $50 to buy 1 ounce of marihiuana that used to cost $10. So to support their habits, they are doing illegal things.

PRIMARY PREVENTION PROGRAM

Senator DeConcini. Do you have any suggestions or recommendations as to how we can deal more effectively with this problem on the Federal level?

Ms. MacConnell. I have a suggestion. We have a primary prevention division through CODAMA. It goes through the school system. And if we all support primary prevention—we get them in elementary school. We teach them decisionmaking skills. We have task forces; we talk to parents; we are on boards of schools.

There is no criteria on how to handle a child that comes in drunk after lunch or starts off the school day by smoking marihuana. But if we can get in and teach them from first grade——

Which is what we are trying to do. It has to be primary prevention. It can't be after they have started.

Senator DeConcini. Do you find a cooperative or a willingness of schools in the community to support that?

Ms. MacConnell. Yes; definitely.

Senator DeConcini. And the increase in that area?

Ms. MacConnell. Yes. Our high school teachers and school counselors have become more aware of the increasing problem.

SCOPE OF DRUG PROBLEM

Senator DeConcini. In view of the information that you provided us concerning the continued seriousness of the problem here, despite massive drug control efforts which have been made by the Federal, State, and local governments, and the millions of dollars that have been put into law enforcement, do you think we are making any real progress in dealing with this problem?

Ms. MacConnell. Well, I am in no way associated with law enforcement or the DEA. I have to say honestly that they are doing as good a job as they can.

Senator DeConcini. Yes.

Ms. MacConnell. We do share information. I do have a close relationship with DEA and with law enforcement agencies.

I just feel that drugs are here, and it's very hard to keep them out. We do have PCP kitchens that flourish in the valley; in people's homes. We do have LSD that's very easily dropped on a piece of paper and distributed among the children here.

I really think that law enforcement has done well to keep crime at the level that they have kept it.

Senator DeConcini. Do you care to just give me your opinion on what you think we ought to do about this overwhelming problem? More enforcement; the same amount of enforcement, more education?

Ms. MacConnell. More education. More prevention.

Senator DeConcini. More prevention would be your first priority?

Ms. MacConnell. Yes.

Senator DeConcini. Is enforcement a deterrent, do you believe, to someone who is on drugs, for the user?

Ms. MacConnell. Depending on what you do with them after you arrest them. If you are going to take them and put them in prison, or to a detention home such as Durango, I believe that durgs are there. I feel that they are getting absolutely no education in there. No alternatives to what they are already doing. They are released; they are put back on the streets, going back into the same environment that they left. There is no education.

This is my opinion.

Senator DeConcini. Do you think law enforcement is a deterrent to someone who has not used any drugs?

Ms. MacConnell. I think so.

Senator DeConcini. Well, Ms. MacConnell, I appreciate your testimony and also the time that you put in in developing these charts. It will be helful for our record. I thank you sincerely.

Ms. MacConnell. Thank you.

STATEMENT OF ARIZONA DEPARTMENT OF PUBLIC SAFETY AGENT (IDENTITY WITHHELD)

Senator DeConcini. Our next witness is an undercover agent from the Arizona Department of Public Safety. We thank you for being with us today and we recognize the seriousness of the position you are in and the risk involved in your being here today with us. We take every precaution to insure that your identity is not exposed.

And if you can, please——

Please proceed with any statement you have.

DPS Agent. I have no prepared statements, for obvious reasons.

I don't know where to begin. As far as work in the streets, talking about the availability of drugs, it is just as great, I believe, as it was 3 years ago.

Senator DeConcini. Do those cameras affect your identity at all?

DPS Agent. No.

Senator DeConcini. If so, I will ask them to desist.

The Cameraman. Excuse me, Senator. We will be shooting from behind.

DPS Agent. Will it be safe to take this off then?

AVAILABILITY OF DRUGS ON THE STREET

Senator DeConcini. No; I think you had better leave it on. We won't keep you here too long.

From your experience as an undercover officer in the past several years in several locations in Arizona, how would you describe the trends in the overall availability of drugs on the street, particularly heroin?

DPS AGENT. Heroin is as readily available as it was a few years ago. Of course, the worst problem that I have encountered, and I am sure some of the other undercover agents have encountered, is that the availability of drugs is there. It's just the criminal element has become so, so sophisticated to the point that we can't penetrate as before.

Senator DECONCINI. Can addicts find heroin when they need it?

DPS AGENT. Yes, sir.

Senator DECONCINI. Relatively easy?

DPS AGENT. Yes.

Senator DECONCINI. If heroin is so available as we continuously hear that it is, why isn't law enforcement able to make a more serious effort toward arrests? Is it just so overwhelming that the numbers are not there?

DPS AGENT. Well, I think that the main thing—I will give you two main reasons that, or two main things that could really assist law enforcement, and their battle in hopefully curtailing it. I don't think that we could get rid of it completely, although I think cooperation in the law enforcement is essential, also prosecution, as far as expertise and certain things. But I am talking about more sophisticated investigation techniques. I am talking about wiretap, which I think has become more of necessity now, due to the fact that it has become so difficult to penetrate the criminal element. So those two things, the cooperation and more sophistication.

COOPERATION AMONG ENFORCEMENT AGENCIES

Senator DECONCINI. Do you think cooperation has increased or decreased, say in the last 2 years in Arizona among Arizona law-enforcement agencies?

DPS AGENT. I think it has increased considerably.

Senator DECONCINI. And what about between State and local enforcement agencies, and Federal agencies; do you think it's increased in the last year, of is it about the same, or has it decreased?

DPS AGENT. I think it has increased quite a bit.

Senator DECONCINI. Would you care to speculate; how dramatic the increase is with respect to the cooperative effort in the last 12 months. Are the Federal agencies involved? Is DEA involved?

DPS AGENT. I wouldn't know how to answer that.

Senator DECONCINI. Do you find DEA willing to work an entire case with local enforcement officials such as yourself, or is there still, as there was sometime past, a desire to take over the case?

DPS AGENT. I personally have not had an occasion to work with DEA, so I couldn't answer that.

Senator DECONCINI. You have had no investigations with DEA?

DPS AGENT. Personally I haven't, no, sir.

Senator DECONCINI. Is it true that it's becoming more difficult to penetrate the high levels of drug trafficking organizations, and if so, what effect will the increasing sophistication of these trafficking organizations have on the traditional approach to drug law enforcement, such as buying heroin on the street and at higher levels of distribution?

DPS AGENT. Well, it's going to be—it's going to be very effective toward the people who are the No. 1, the No. 2 people in this narcotic echelon. This more sophisticated investigation, of course, would not concentrate on the street people. It would—I think it would have a great impact on the people up there. I am talking maybe No. 1 and No. 2.

Senator DECONCINI. Do you see a greater need to have the prosecuting attorney, the district attorney, or the county attorney involved at an earlier level of investigation? Is that helpful?

DPS AGENT. Yes, it is. It is helpful.

Senator DECONCINI. Do you have available legal counsel when you are in the field doing a case? Can you call somebody instantly to ask them for legal advice when you are doing an undercover operation?

DPS AGENT. I have not had that experience, but it is available.

Senator DECONCINI. It is available?

DPS AGENT. Yes.

EXPANSION OF WIRETAPS

Senator DECONCINI. Do you have any alternative suggestions to the buy-bust approach that might be effective, or is that the best way to go?

DPS AGENT. The buy-bust approach is something next to the wiretap. I could not suggest any alternatives other than the wiretap itself.

Senator DECONCINI. Do you think more extensive use of the wiretap, conspiracy, and financial investigations are necessary?

DPS AGENT. I believe so.

Senator DECONCINI. And wiretap would be the most effective, in your opinion?

DPS AGENT. Yes, sir.

Senator DECONCINI. Have you been involved in wiretap?

DPS AGENT. On one.

Senator DECONCINI. Did you find it highly technical to be sure that you didn't violate the law yourself?

DPS AGENT. Yes, it is very technical.

Senator DECONCINI. Did you find the availability of counsel helpful at that time, or did you have counsel at all times?

DPS AGENT. We did have counsel, and they were available. There was no problem there.

Senator DECONCINI. But even with counsel, you think that we should consider some changes in the law.

DPS AGENT. Yes.

Senator DECONCINI [continuing]. Relating to wiretap to make it more accessible?

DPS AGENT. Yes, sir.

Senator DECONCINI. Your testimony then is that that would be the single most effective tool that law enforcement could have?

DPS AGENT. Yes; to be very effective and get the top man, that would be the best to my knowledge that would be very effective.

Senator DECONCINI. How is, in your opinion, communication and cooperation between the department of public safety and other drug enforcement units, such as the Phoenix and Tucson police departments and the Arizona drug control district?

DPS Agent. I can only answer for myself, as far as the communication with the local police department in the Phoenix area, I have not encountered any problems as far as cooperation is concerned, especially with the Phoenix police department. The other outside agencies, a few years ago a drug enforcement entity was formed by you, Mr. Senator. I think that kind of hurt me in my investigation, because I am a member of the department of public safety.

Senator DeConcini. The drug control unit, that was formed some years ago was formed primarily with department of public safety agencies at the time?

DPS Agent. I am sorry.

Senator DeConcini. When it first began, it was formed with the department of public safety agents primarily, at the beginning.

DPS Agent. Yes, sir.

Senator DeConcini. Do you think there is any improvement in cooperation, today, than there was 2 or 3 years ago?

DPS Agent. The only problem, like I said earlier, the only problem that was created was a rivalry between both agencies.

Senator DeConcini. Has that lessened, or enhanced in the last 12 months?

DPS Agent. In some areas of the State it has lessened.

Senator DeConcini. With the new director of the department of public safety, do you anticipate that there will be improved relations, or about the same?

DPS Agent. I couldn't answer that.

Senator DeConcini. You don't see it moving any one way of the other?

DPS Agent. Well, I think that it's going to move forward.

Senator DeConcini. For the better?

DPS Agent. Yes.

ADEQUACY OF RESOURCES

Senator DeConcini. Can you give me your opinion regarding the department of public safety and other law enforcement agencies that deal with drugs, such as the drug control district in Tucson, Phoenix, and some of the other areas that have special units? Do they have enough manpower, and enough equipment, enough staff, in your opinion?

DPS Agent. Our department has been, for the past few years, understaffed, and lacking equipment, and things that you have mentioned. And unfortunately, a new bureau was formed, and that particular bureau took, I think, some of our——

Senator DeConcini. Some of your resources?

DPS Agent. Some of our resources. And it did affect us quite considerably; not only in the resources, but also in rapport with other agencies.

Senator DeConcini. Do you think it's necessary for the legislative bodies to participate more in directing those resources specifically for drug enforcement?

DPS Agent. Yes, to a certain extent.

Senator DeConcini. And I take it from your testimony that you think at least in your area, you could have greater emphasis for more manpower, more equipment, and more commitment?

DPS AGENT. Yes, sir.

Senator DECONCINI. Can you give us an opinion as to some of the other drug enforcement agencies that you work with in the State of Arizona? Do you find just from professional discussions with other agents that they would agree with you about their agencies? Do you find any that are happy, that they would say we have got everything we need?

DPS AGENT. The only one that I think is happy is the newly formed Arizona Drug Control.

Senator DECONCINI. Is that because they have been successful in getting what they supposedly need from the legislature?

DPS AGENT. Yes, I think so. I am talking about our department. It's my own personal opinion——

Senator DECONCINI. Yes, I understand.

DPS AGENT [continuing]. As an undercover officer. My resources are so minimal to what they have got. I am talking about money; I am talking about equipment.

Senator DECONCINI. Flash rolls and intelligence?

DPS AGENT. Intelligence.

Senator DECONCINI. So anything that would help these units work together would be much better for you and for them?

DPS AGENT. One of the things that I think would help quite considerably is not to create another bureaucracy, and reorganize the existing agency, and not create another agency which will, I think——

Senator DECONCINI. Do you mean not to have created the Arizona Drug Control District.

DPS AGENT. Well, not necessarily the Arizona Drug Control District. That was—in my personal opinion, one good example of the Congress establishing another bureaucracy.

Senator DECONCINI. Yes.

COOPERATION WITHIN THE STATE

DPS AGENT. So to be more effective, I think you have got to cooperate. It's essential to cooperate with each agency.

Senator DECONCINI. Does there need to be someone on the State government that can set a policy and mandate that cooperation, or must it just come through a long period of personal relationships and professional relationships?

DPS AGENT. I think it's a long period of personal relationships. I think that I have experienced with the people who work under my capacity, we cooperate real well. It's the people upstairs that just don't seem to——

Senator DECONCINI. Make it priority?

DPS AGENT. Right. They set their priorities, and of course it affects the people downstairs.

Senator DECONCINI. So the troops cooperate well in the field is what you are saying, but some of the policymakers don't realize how much emphasis should be placed and how resources should be allocated? Is that a fair summary?

DPS AGENT. Exactly.

Senator DECONCINI. What is your experience regarding organized crime as we know it. Do you believe that it's involved in the narcotic trade in Arizona? Would you say it's highly organized?

DPS Agent. Yes.

Senator DeConcini. The narcotic trade?

DPS Agent. Yes. The people that I have associated with, it's not so much of a great organized crime family. It is pretty well organized, that is why it's making it so difficult for people like myself to penetrate it.

Senator DeConcini. When you say it's organized that means it's sophisticated and has a lot of knowledge, a lot of network and able to buy good lawyers.

DPS Agent. Exactly.

Senator DeConcini. Do you find that organized crime is extending outside the State involvement?

DPS Agent. Yes.

Senator DeConcini. Do you find the organization within the State growing from controlled organized crime elements within the State, or is most of it outside in your opinion?

DPS Agent. Well, I couldn't answer that.

Senator DeConcini. Both ways?

DPS Agent. It would go both ways.

DRUG TRAFFIC IN ARIZONA

Senator DeConcini. Do you care to give me your opinion; is the drug traffic through Arizona on the increase or the decrease over the last, say a year ago?

DPS Agent. I believe that it's, depending—depending on the drug itself, I would honestly think it's stable.

Senator DeConcini. It's stable?

DPS Agent. It's stable.

Senator DeConcini. How do you account for the tremendous increase in burglaries and crime in the Phoenix area? Would you say that's because of the purity level that's down and they have to commit more crimes? Or do you have any comment or observations regarding that?

DPS Agent. Inflation and the economy really hurt the users as much as it hurts anyone in the legal market.

Of course, the heroin is beginning to be more expensive. And as far as them looking for something else to replace their need, of course they will turn to burglaries and robberies, what have you, to support their habit. Not so much as the purity of the heroin, it's ust the inflation has really got to them.

Senator DeConcini. I have no further questions. I want to thank you very much. First of all, I want to compliment you on your effort and success in undercover; and hope you realize that some of us understand the danger of that and the commitment that you have made to law enforcement to participate in that effort. And also, your professionalism stands out in your testimony this morning. I think we are damn proud to have someone like you working for the State of Arizona.

DPS Agent. Thank you.

Senator DeConcini. Thank you.

STATEMENT OF A. BATES BUTLER III, CHIEF ASSISTANT, U.S. ATTORNEY FOR THE STATE OF ARIZONA

ACCOMPANIED BY STEPHEN NELSON, ASSISTANT U.S. ATTORNEY, SAN DIEGO, CALIF.

Senator **DeConcini**. The Federal, State, and local perspectives will be given to us now by A. Bates Butler III, chief assistant, U.S. attorney for the State of Arizona, and from Stephen Nelson, assistant U.S. attorney, San Diego, Calif.

Excuse me for keeping you waiting there.

Mr. **Butler**. That's all right.

Senator **DeConcini**. We are very pleased to have you, Mr. Nelson and Mr. Butler. We know of the tremendous work you have done and the efforts you are involved in in a number of organized crime cases now, and we appreciate your taking the time to be with us.

You may proceed.

Mr. **Butler**. Thank you, Senator. I have submitted some prepared remarks, and I will talk to you this morning from them, and then I will be glad to——

Senator **DeConcini**. We will print those remarks in the record in full, and you may highlight today.

PREPARED STATEMENT

Mr. **Butler**. Arizona's proximity to Mexico has traditionally meant the presence of substantial amounts of illicit narcotics and dangerous drugs.

Since 1975 there has been a special narcotics prosecution unit in the U.S. attorney's office in Tucson. Originally the unit was composed of three attorneys. Presently the unit is operating with two attorneys. In 1979, we formed a special narcotics prosecution unit in our Phoenix office which is staffed by two assistant U.S. attorneys. These units work closely with agents of the U.S. Drug Enforcement Administration and State and local narcotics agents in developing potential cases. Until recent years the volume of narcotics work in this district has been such that our meager resources have not even begun to address the problem. Fortunately, we have been able to rely upon our good relationships with State and local prosecutors in handling some of these cases.

Federal/State law enforcement committees have been established in Maricopa County and southern Arizona which have led to the formation of standards for presentation of criminal offenses involving concurrent Federal/State jurisdiction. These standards have been formulated after input from Federal, State and local law enforcement officials.

In the area of controlled substances, the following case presentment standards exist between the U.S. attorney's office and county attorney's offices in Maricopa, Pima, and Santa Cruz Counties.

One, conspiracy matters: In all cases where the investigation is initiated by Federal authorities or begun by Federal authorities at the request of local authorities and there appears to be involved a sizable ongoing conspiracy, especially one involving hard narcotics, the matter shall be presented for Federal prosecution.

Two, other matters: In all other cases, the preferred reference is to local authorities for prosecution absent (a) a defendant with one or more prior Federal felony narcotics convictions, and (b) the involvement and application of substantial Federal investigative resources.

The prosecution of small seizures of hard narcotics and hallucingoenics occurring at the ports of entry have been traditionally handled by Santa Cruz and Cochise County attorney's offices. Such handling by local authorities is expected to continue.

In order to insure continued cooperation and communication with State and local agencies, the U.S. attorney and his assistants meet regularly with the chiefs of local police departments, county attorneys, the Arizona Department of Public Safety, and the Arizona Drug Control District. Such meetings have proved invaluable in monitoring existing cases, exchanging information, and ensuring continued cooperation.

The last 2 years have witnessed a significant decrease in the number of Federal indictments involving controlled substances. This decrease has allowed the U.S. attorney's office to devote its full resources to those cases which are inherently Federal in nature. In fiscal year 1977, 334 indictments were returned in controlled substance cases involving 741 individuals. Approximately 200 of these cases involved large seizures of marihuana at the ports of entry or within a few miles of the border. Fiscal year 1978 noted a decrease in controlled substance indictments to 94, with 274 defendants. In 1979, there were 31 controlled substance indictments involving 88 defendants.

Many reasons have been advanced for this significant decline in the number of Federal controlled substance indictments. It is difficult to say that any one reason is directly responsible for the decrease. Certainly one of the most significant reasons for the decrease is the more effective and efficient enforcement of the narcotics laws at both the Federal and State level. For the last several years, the U.S. attorney's office has stressed conspiracy prosecutions. Successful prosecutions of major narcotics conspiracy cases have led to a substantial disruption in the network of narcotics distribution operations in Arizona. In 1978, there were about 10 major controlled substance conspiracy cases prosecuted. In each of these cases defendants received substantial incarceration. The year 1979 witnessed an increase in major narcotics conspiracy prosecutions, with a total of 22 such cases being indicted.

During the last few years, there has been a shift in the types of controlled substances involved in these conspiracies. Most of the conspiracies prosecuted in 1976 and 1977 involved marihuana. In 1978, five of the major cases involved heroin with only one case involving cocaine. In 1979, eleven of the conspiracy cases involved cocaine, three marihuana, two PCP, one LSD, and five heroin. In our Phoenix division one-third of the narcotics cases involved clandestine laboratories.

Narcotics seizures at ports of entry in 1977 and into 1978 were very high. However, 1979 witnessed a substantial drop in such seizures. Why? Increased enforcement efforts at the border through Operations Intercept and Goodwill certainly played a role. The use of dogs trained to sniff out narcotics has helped tremendously. The paraquat spraying program in Mexico severely damaged narcotics trafficking in Arizona. Thousands of poppy fields in Mexico were destroyed. Because of paraquat, Mexican marijuana lost its appeal to the consumers. At the same time, claims were made for a more potent marijuana plant from Colombia. In addition, the large east and west coast markets are more efficiently supplied, at less risk to the smuggler, by the use of large ships and small speedboats.

The Mexican Government has been much more vigorous and successful in combating narcotics traffickers in Mexico. Because of intensified efforts to detect the importation of controlled substances at the ports of entry, for a time we witnessed an increase in the number of narcotics traffickers who were only willing to transfer the drugs south of the border. Fortunately, efforts by Mexican authorities, oftentimes assisted by American officials, have led to many seizures being made just south of the border. Many such seizures occurred after negotiations in Arizona.

Tougher State statutes dealing with narcotics violations have helped tremendously. A change in the Arizona conspiracy law has increased the chances for successful conspiracy prosecutions in State courts. It is not uncommon for assistant U.S. attorneys and deputy county attorneys to discuss and decide where a particular case can best be prosecuted regardless of which investigative agency handled the matter.

The past few years, while prosecutors were handling major narcotics conspiracy cases, there was a decrease in intelligence being gathered about narcotics trafficking. About a year ago at a Federal/State Law Enforcement Committee meeting in Tucson, it was agreed that the Drug Enforcment Administration, the metropolitan narcotics squad, and the Arizona Department of Public Safety would concentrate anew on street level narcotic activity in order to determine the extent of distribution systems. Such emphasis on small quantity cases is necessary if we are to obtain sufficient intelligence information about the level of narcotic activity. Many so-called smalltime dealers have been arrested and prosecuted as a result of this new effort, and we are beginning once more to increase the intelligence files. Initial analysis of the new information indicates that most of the old heroin distribution operations have been disrupted.

Another reason for a decrease in the number of narcotics prosecutions has been the treatment programs which have been established in the major metropolitan areas of Phoenix and Tucson. Presently in Pima County, the narcotics treatment programs are operating at 95 percent capacity, according to Kenneth Geis of the Community Organization for Drug Abuse Control of Pima County. Nevertheless, the number of heroin intakes has been substantially down for the last 3 or 4 years. With the number of heroin intakes down, Mr. Geis advised that there has been a corresponding increase in the number of intakes of abusers of other opiates. This increase in abusers of other opiates is believed to result from the lower quality of heroin which is existing on the street. Up to a few months ago, the quality of heroin on the streets in Tucson and Phoenix was generally between 1½ and 2 percent. As the purity of the heroin has decreased, the price has increased substantially. Unfortunately, recently the purity has gone substantially higher. Whether this increase in purity is a result of new distribution systems, the situation in the Middle East, or some other factor, only time will tell. In 1979 in the Tucson area, there were five heroin-related deaths which is a significant decrease over past years. However, if the purity of heroin increases greatly, we can expect more deaths.

During the last year a substantial number of laboratory operations producing PCP have been shut down. Most of the PCP being produced in these labs has been destined for distribution on the west coast. Treatment programs, at least in Pima County, have had very few PCP intakes. Regrettably, the incidents of LSD use have increased in the last few months. Whether this is a trend which will continue is not known.

We believe that because of efforts by Federal, State, local, and Mexican officials, fewer controlled substances, especially marihuana, are entering Arizona from Mexico. Nevertheless, there still exist on the streets of Arizona's cities alarming rates of controlled substances.

It takes money, manpower, and equipment to successfully combat narcotics. DEA is not given enough funds to enable it to do the job necessary. If we are truly interested in apprehending large-scale narcotics traffickers, we must be willing to walk away from substantial sums of money to demonstrate our good faith to dope dealers. Too often insufficient amounts of money have interfered with or inhibited undercover investigations. The current cutback in travel funds has severely inhibited appropriate law enforcement undercover operations. Narcotics traffickers have no travel restrictions.

Because of the increased drug enforcement effort in Arizona, narcotics traffickers have had to become much more sophisticated than in years past, and I fear we in law enforcement may not be adjusting or changing our techniques enough to meet their challenge. They seem to be shying away from the transportation and distribution of bulk narcotics such as marihuana. More money can be made and it is easier to distribute substances such as heroin and cocaine. It is extremely difficult to adequately search every plane which enters the United States from a foreign country. Yet it is easy to conceal quantities of heroin and cocaine in airplanes. Are we prepared to accept the cost in money and inconvenience of having a dog trained to detect narcotics and a handler meet every foreign flight? If we are, I believe we would seize more narcotics. But so far, we have been unwilling to pay this price.

With all of our successes in the narcotics enforcement area, there is still a narcotics problem in Arizona. Arizona is not the great staging area that it once was for the distribution of marihuana. But if you want marihuana, it's here; if you want cocaine in any amount, it's here; and while large heroin distribution networks have been broken up, smaller networks are still operating and their sources of supply are not known. It takes time to set up narcotics distribution systems. It takes time to corrupt individuals so that narcotics distribution systems can be established and maintained.

With increased law enforcement efforts in the Southeastern United States, it must be expected that narcotics traffickers will once again test us here in Arizona to see if we are prepared to respond to their illegal acts. Any dismantling of law enforcement efforts would leave us wide open to a new influx of controlled substances.

Congress can assist us in this endeavor to combat narcotics trafficking by not passing legislation which would handcuff legitimate law enforcement efforts. Undercover operations are vital and they are carried out pursuant to legal mandates and Department of Justice guidelines, which are sufficient to insure that the innocent are not entrapped. Any attempt to shorten the length of the statute of limitations should be strenuously resisted because it takes time to penetrate large-scale, well organized criminal enterprises. Often, their activities are only discovered years after the fact. If Congress wants us to catch the crooks that crooks look up to, then give us the time to do so. Department of Justice guidelines insure that grand jury investigations are properly conducted without infringing on the constitutional rights of suspects or witnesses. Further, so-called grand jury reforms would only serve to obstruct proper inquiries.

The immunity provisions of title 18, United States Code, section 6001, are essential if we are to do our work and should not be disturbed. Judges must continue to be able to incarcerate recalcitrant witnesses who have been granted immunity and ordered to testify. Furthermore, restrictions on confinement for criminal contempt for subsequent refusals to testify involving the same transaction would serve no legitimate purpose.

I appreciate the opportunity to present these views of the U.S. attorney's office for the district of Arizona and would be glad to answer your questions.

Thank you.

SUMMARY STATEMENT

Mr. **Butler**. Arizona's proximity to Mexico has traditionally meant the presence of substantial amounts of illicit narcotics and dangerous drugs.

Since 1975 there has been a special narcotics prosecution unit in the U.S. attorney's office in Tucson. Originally that unit was composed of three attorneys. Presently there are two attorneys in it. In 1979 a special prosecution unit was formed in our Phoenix office, and it is staffed by two attorneys. Until recently, the volume of narcotics cases has been such that our meager resources have not been able to address the problem. Fortunately, we have been able to rely upon our good relationships with State and local prosecutors to help handle the burden.

In both Maricopa County and in southern Arizona, Federal/State law enforcement committees have been formed. These committees are composed of the prosecutors in the area, the local chiefs of police, Arizona drug control district, DPS, and the sheriffs in these law enforcement communities. We have been able to formulate standards for prosecution for the first time. These standards first went into effect a couple of years ago. Now for the first time there is some guidance on paper that law enforcement agencies can refer to as to which prosecutor is likely to prosecute a particular offense.

We have witnessed especially in the last 2 years a substantial significant decrease in the number of Federal indictments involving controlled substances. This decrease has allowed the U.S. attorney's office to devote its full resources to those cases which are inherently Federal in nature. In fiscal year 1977, 334 indictments were returned in controlled substance cases involving 741 individuals. This is in the district of Arizona. Approximately 200 of those cases involved large seizures of marihuana either at the ports of entry or in areas within a few miles of the border.

Fiscal year 1978 noted a decrease in controlled substance indictments too, Senator. It went from 334 in 1977 to 94 in 1978. In those 94 indictments were 274 defendants. In 1979 we only issued 31 controlled substance indictments in Arizona involving 88 defendants. Now this decrease in controlled substance cases mirrors the decrease in all criminal cases in the district of Arizona, and I think that it is reflective, too, of the decrease in the criminal case load in most U.S. attorney's offices.

In 1977 there were 980 criminal indictments. By 1979, only 567 indictments were issued in the district of Arizona.

There are some other statistics that are not included in the prepared remarks, but they may shed some light on why we have had so few controlled substance indictments.

In the Tucson district of the DEA, which is really just the Tucson, Pima County area, in 1976, from Customs and the border patrol, DEA received referrals of 53 cases. In 1977, such referrals had gone down to 27. In 1978, Customs and border patrol in Tucson referred two cases to DEA. In 1979, there were no referrals to DEA from Customs or border patrol in Tucson.

Many reasons have been advanced for this significant decline in the number of Federal controlled substance indictments, and it is difficult to state whether one reason is directly responsible for the decrease, or whether there are many. Certainly one of the most significant reasons, I believe, for the decrease is the more effective and more efficient law enforcement that we have had at both the Federal and the State levels. For the last several years, the U.S. attorney's office in Arizona has stressed narcotics conspiracy prosecution. These prosecutions of major narcotics conspiracies have led to a substantial disruption in the network of narcotics distribution operations in Arizona. In 1978, there were about 10 major controlled substance conspiracy cases prosecuted in Arizona. And in each of these cases, defendants were receiving substantial incarceration. The year 1979 witnessed an increase in major narcotics conspiracy prosecutions, with a total of 22 such cases being indicted. And if you recall, Senator, I indicated that in 1979 there were only 31 controlled substance indictments, and 22 of those involved major narcotics conspiracy. So that while our numbers are fewer, there had been a greater increase on the prosecution of major conspiracies. We have, in the cases that we have prosecuted the last few years, noted a shift in the kind of controlled substances that are involved. Most of the conspiracies prosecuted in 1976 and 1977 involved marihuana. In 1978, five of the major cases involved heroin, with only one case involving cocaine. 1979 saw 11 of the conspiracy cases involving cocaine; 5 involved heroin, 3 marihuana, 2 PCP, and 1 LSD. In 1979 in our Phoenix office, one-third of all of the narcotics cases involved clandestine laboratories. We have noted a significant increase in that offense.

Narcotics seizures at ports of entry in 1977 and 1978 were very high. However, 1979 witnessed a substantial drop in such seizures. The question that needs to be asked is why; and I am not certain that anybody has a definitive answer. Certainly there has been an increase in the law enforcement efforts at the border. Some of the coordinated plans, such as Operation Intercept and Operation Goodwill, have played a role. Customs has utilized dogs at the port to sniff out narcotics, and that has helped to a great extent.

The paraquat spraying program in Mexico has severely damaged the narcotics trafficking in Arizona because it's destroyed not only the poppy fields, but also the marihuana fields. Now because of paraquat, Mexican marihuana lost its appeal to the consumers about the same time that claims were being made for a more potent marihuana plant from Colombia.

In addition, the large east and west coast markets are more efficiently supplied, at less risk to the smuggler, by the use of large ships and small speedboats.

Certainly the Mexican Government has also been much more vigorous and successful in the last few years in combatting the narcotics traffickers in Mexico. There was a time when because of increased efforts to detect the importation of controlled substances at the ports of entry, that DEA witnessed an increase in the number of narcotics traffickers who were willing to come to Arizona, and they would negotiate, but they would not transact. They would not exchange goods here. And they were only willing to transact or transmit the drugs in Mexico. Fortunately, because of efforts by Mexican authorities, oftentimes in coordination with American authorities, many seizures have occurred south of the border.

A continuation of the paraquat spraying program by the Mexican Government has been beneficial, and the Mexican authorities are to be commended for their efforts.

Another reason I think that we have witnessed a decrease in the narcotic prosecution in Arizona is because of the tougher State statutes which now exist. The change in the Arizona conspiracy law has increased successful prosecution chances in State court. In addition, mandatory sentencing has come into being in Arizona for some narcotics offenses, and I think that has contributed to the decrease in narcotics prosecution. It is not uncommon these days for assistant U.S. attorneys and deputy county attorneys to discuss and decide where a particular case should be prosecuted, regardless of which investigative agency handled the matter.

While we have had some successes in our major narcotics conspiracy prosecutions, we have also witnessed in the last few years a decrease in the intelligence being gathered about narcotics trafficking. The conspiracy well has just about run dry. Most of the cases that we have prosecuted the last few years have been based upon the small street buys that occurred years before. And after so many street buys occurred, we were able to gather the intelligence and put it together and have some meaning from it. At the same time that the prosecutors and the law-enforcement officers were concentrating on the conspiracies, there was not enough street level narcotic activity being investigated. There weren't enough buy-bust situations occurring on the street, and so we did not have the intelligence there to continue the conspiracy investigations and prosecutions. I think that's one of the chief reasons why there has been a decline in the number of conspiracy cases or the number of controlled substances cases, because we don't have an adequate handle on what is going on in the streets right now.

Certainly I think we have been successful in busting up some of the larger, older heroin distribution networks, but there are still smaller programs out there that are going on and we don't know really who is behind all of them.

Another reason for the decrease in the number of narcotics prosecutions has been, I think the treatment programs. Currently in Pima County, the narcotic treatment programs are operating at a 95 percent capacity. Pima County has witnessed the same thing that a prior speaker indicated this morning about what is happening in Maricopa County. We have had in Pima County a decrease in the number of heroin intakes. That's gone down now for about the last 3 or 4 years. But there has been a corresponding increase in the number of intakes of abusers of other opiates.

The quality of heroin in the streets in Tucson has decreased substantially to the point where it had been down to 1½ to 2 percent. Now we are witnessing, and for the last few months we have witnessed a significant increase in the quality of heroin on the streets in Tucson. Whether this increase in purity is a result of a new distribution system; whether it's the result of the situation in the Middle East, or some other factor is something that only time will tell.

During the last year, a substantial number of laboratory operations producing PCP have been shut down; many here in Phoenix, and at least on in Tucson. Most of the PCP that is to be produced in these labs it is believed was to be destined for distribution on the west coast. Treatment programs, at least in Pima County, have had very few PCP intakes. Regrettably, the incidence of LSD use has increased in the last 6 months, and whether or not this is a trend is one that we don't know. It's the opinion of the U.S. attorney's office that because of the efforts of Federal, State, local, and Mexican authorities, fewer controlled substances, especially marihuana, are entering Arizona from Mexico. Nevertheless, there still exists on the streets of Arizona cities alarming rates of controlled substances.

It takes money, manpower, and equipment to successfully combat narcotics. DEA is not given enough funds to enable it to do the job necessary. If we are truly interested in apprehending large-scale narcotics traffickers, we must be willing to walk away from substantial sums of money to demonstrate our good faith to dope dealers. If we had enough money, it's our feeling that we could buy as much dope as we would want to. Too often insufficient amounts of money have interferred with or inhibited undercover operations. The current cutback in travel funds which has hit most Government agencies has severely inhibited appropriate law enforcement undercover operations. Narcotics traffickers have no such travel restrictions.

Because of the increased drug enforcement efforts in Arizona, narcotics traffickers have had to become much more sophisticated than in years past, and I fear we in law enforcement may not be adjusting or changing our techniques enough to meet their challenge. Traffickers seem to be shying away from the transportation and distribution of bulk narcotics such as marihuana. More money can be made and its easier to distribute substances such as heroin and cocaine. For example, it is extremely difficult to adequately search every plane which enters the United States from a foreign country. Yet, it is easy to conceal quantities of heroin and cocaine in airplanes. Are we prepared to accept the cost in money and inconvenience of having a dog trained to detect narcotics and a handler to meet every foreign flight? If we are, I believe we would seize more narcotics. But so far, we have been unwilling to pay this price.

As I have said, with all of our successes in the narcotics enforcement area here in Arizona, there is still a narcotics problem in Arizona. Arizona is not, in our opinion, the great staging area it once was for the distribution of marihuana and Mexican heroin. But if you want marihuana, it's here. If you want cocaine in any amount, it's here. And while large-scale heroin distribution networks have been broken up, smaller networks are still operating and their sources of supply are not known. It takes time to set up narcotics distribution systems, and it takes time to corrupt individuals so that narcotics distribution systems can be established and maintained.

With increased law enforcement efforts in the southeastern part of the United States, it must be expected that narcotics traffickers will once again test us here in Arizona to see if we are prepared to respond to their illegal acts. Any dismantling of law enforcement efforts would leave us wide open to a new influx of controlled substances.

Congress can assist us in this effort to combat narcotics trafficking by not passing legislation which would handcuff legitimate law enforcement efforts. Undercover operations are vital, and they are carried out pursuant to legal mandates and Department of Justice guidelines, which are sufficient to insure that the innocent are not entrapped. Any attempt to shorten the length of the statute of limitations should be strenuously resisted, because it takes time to penetrate large scale, well organized criminal enterprises. Often, their activities are only discovered years after the fact. If Congress wants us to catch the crooks that crooks look up to, then give us the time to do so. Department of Justice guidelines insure that grand jury investigations are properly conducted without infringing on the constitutional rights of suspects or witnesses. Further, so-called grand jury reforms would only serve to obstruct proper inquiries.

The immunity provisions of title 18, United States Code, section 6001, are essential if we are to do our work and should not be disturbed. Judges must continue to be able to incarcerate recalcitrant witnesses who have been granted immunity and ordered to testify. Furthermore, restrictions on confinement for criminal contempt for subsequent refusals to testify involving the same transaction would serve no legitimate purpose.

Now I know, Senator, from my association with you in the past that you are not one of the congressmen who wants to handuff legitimate law enforcement efforts, and I would simply request and urge you to try to tell the other members back there on the Hill that what we in law enforcement are doing is a vital act, and we need more tools and not less tools.

I appreciate your consideration of my remarks, and I will be glad to answer any questions that you have, or, after Mr. Nelson speaks.

Senator DECONCINI. Thank you, Mr. Butler, very much. We will hear from Mr. Nelson and we will have a few questions.

SUMMARY STATEMENT

Mr. NELSON. Thank you, Senator, I do not have a formal presentation, but I was able last week to glean from a variety of sources within the U.S. attorney's office a number of statistics upon which I would like to reflect and perhaps you and your staff may also reflect and draw from those statistics a few conclusions.

Basically, the U.S. attorney in San Diego, who is Mr. Mike Walsh, would like to thank you for giving me the opportunity to appear. The U.S. attorney's office in San Diego historically is very similar to the U.S. attorney's office in Arizona, in that 10, 12 years ago it was a relatively small office of 9 or 10 lawyers. Now we have 36. So it has literally quadrupled in the last 10 years.

San Diego, like Phoenix and Tucson, of course is a border area. Our proximity to Mexico has resulted in a dramatic number of immigration and drug violations. The office has expanded, and been constructed and built upon that unique relationship and the nature of the problems in Mexico that either, one, encourage the growing of marihuana or poppy, the manufacture of heroin and its introduction into the United States, as well as the flow of aliens. And if you look at these statistics, I think that you will perceive though a rather dramatic decline in the number of indictments that have been returned by the Federal jury in San Diego over the last 8½ years. Starting with 1973, and we have always had from one to five grand juries, Federal grand juries in San Diego, depending upon the nature of the case and how long the investigation was going to take. It is just as a matter of efficiency or economy. As I say, we would use different grand juries and engage them according to each case—routine cases, as opposed to long-term investigations. However, the total number of indictments in 1973 amounted to 1,187. And without—since you have my handout before you—restating that recent statistics, you can see that with the exception of a slight increse in 1974 and 1975, in 1976 there is a dramatic decline; almost a 50-percent decline in the indictments returned. And at that point there begins a gradual slide resulting in 1979 in a figure of only 559 total indictments. and projections for the year 1980, calendar year, would be slightly over 600.

I have also isolated within the total number of indictments those cases that could be categorized as controlled substance cases, whether single or polydrug in nature. And you can see that in 1973 and also in 1974, 61 and 64 percent of our total indictments returned were controlled substance cases. That drops off to 48 percent for 1975 and 1976. In 1977, it drops to 33; and 1978, 1979, and presumably for 1980 if our projections over the first 3 months are correct, we have stabilized off at about 13 to 15 percent.

So what you have is not only a significant decrease in the number of indictments returned, but also a decrease, relatively speaking, in the number of controlled substance cases.

I have also broken down the nature of the indictments returned; this is, heroin, cocaine, marihuana, or "other"; other being, of course, pills, amphetamines, PCP, and LSD. As you can see, over the same period of time from 1973 to 1980, heroin cases usually comprised anywhere from 14 to 24 percent, with about 20 percent average of our controlled substance caseload. Cocaine cases have literally skyrocketed from 1973 to 1979. In 1980, they have gone up six times. Marihuana cases have experienced about an 86-percent decline. In the past, consistently 60 to 70 percent of our controlled substance cases were of a marihuana nature; now, only 8 percent. The "other" category has fluctuated. Technology and breakthroughs in drug abuse being what they are, I am sure "other" in 1973 encompassed a smaller spectrum of illegal or potentially abusing drugs than it does in 1980. So you can see, that has gone up to 31 percent.

And then I'd ask you, in evaluating these figures, to bear in mind that according to the Attorney General's statistical report for the year, approximately 13 percent of all Federal criminal indictments returned are of a controlled substance nature. About 24 percent of the pending Federal criminal caseload involves controlled substance cases. Usually, particularly multiple defendant controlled substance cases have a fair amount of pretrial motions. Many complex cases are developed as a result of electronic surveillance, all of which result in some extensive litigation, which is why the pending figure is substantially more than the figure for the percentage of cases just filed.

Now the U.S. attorney in San Diego—I should say the last three U.S. attorneys, have been very concerned about this obvious decline in controlled substance cases. We have on occasion, at different times, in the U.S. attorney's office, undertaken a survey of sorts to discern if we can just what it is that has contributed to such a radical shift. It's fairly easy to come up with a half dozen or so reasons, some of which are extrinsic, meaning that we are simply responding to something over which we have no control; some are intrinsic, which simply means at some point someone, either within the U.S. attorney's office or with another agency, has made a decision, a prosecutive decision or a policy decision, to emphasize a particular type of case and decline on other types of cases.

Probably the most significant factor causing such a general decrease is the loss of our checkpoints. Arizona has always encountered the illegal alien problem; California even more so. Up until the early seventies, we had fixed operational immigration checkpoints at San Clemente and several checkpoints throughout the Imperial Valley.

We now have checkpoints of sorts, but because of certain Supreme Court decisions, their scope is very narrow. The nature of the inquiry is also very narrow and they do not generate the amount of drug cases that we encountered in the sixties and the early seventies.

Basically, in the past, not only did they generate immigration cases, the nature of alien smuggling was such that an inquiry or a search for aliens would usually take the officer to the same place where marihuana or other drugs would be hidden. Secret compartments in trucks, vans, trailers, campers, trunk compartments, under the hoods of cars. So the checkpoints generated many, many drug cases. A byproduct was also the apprehension of State and local fugitives, and also stolen property cases.

So when the checkpoints were severely restricted in their operation, we suffered a substantial decrease in the number of routine, predictable drug cases. It's our belief that smuggling per se or trafficking per se has not declined; it's simply that we lost a very effective tool for the apprehension of many involved in those acts.

Now a second factor that obviously had some impact upon the decline in cases is just prioritizing—the quality versus quantity situation; an emphasis on conspiracies as opposed to routine, substantive cases; the selection of certain targets or rings for increased investigation. Certain agencies, such as the FBI, for example, have severely cut back on the type of offenses they are concerned with, so that certainly had some input and effect in the decline.

Also, the next factor I would like you to take into consideration is simply changed trafficking patterns. We have better and different source countries. You can see cocaine seizures having gone up six times over the last 7 years. And Mexico is not producing coca leaves. It has to come from South America. But the result is that you now have Colombia as a major source country. And of course those people who deal in the tremendous commercial quantities of cocaine don't need to ship it or transship it through Mexico and bring it across in cars or trucks. I mean, they have Lear jets and twin engine propjets. They have mother ships. They have a variety of transporting options.

The consumer demands we have—whether we want to admit it or not, we have educated drug abusers in this country to the point where paraquat and the inferior nature of some Mexican marihuana has resulted in their demanding a better product. As far as San Diego is concerned, a better product may come from Thailand; it may come from South America. But in any case, there is no need for it to come into San Diego through Mexico, which was a traditional route.

San Diego, for a number of years, was considered somewhat of a hot spot. We had always concentrated the majority of our Criminal Division efforts on drug cases. We would like to think that we made some pretty substantial strides and put some high-level violators in jail for a very long time. So may informers used to tell us that they simply would avoid the southern district of California. It was much easier to ship their product 300 miles off the coast, up into the Pacific Northwest, or simply to fly it over. I might admit—and to be perfectly candid, the reputation that San Diego acquired in the late sixties and early seventies was because, one, we grew with the drug traffic. We concentrated on prosecuting drug cases. And other U.S. attorney's offices in California and other States either, one, were not inclined to concentrate as much attorney time on drug cases, or simply had other fish to fry. Because of the Narcotics and the Dangerous Drug Division within the Criminal

Division, because of the development of these drug units, the controlled substance units, the major drug trafficker units that are now in all the major U.S. attorney offices, there is a pretty unified program for the prosecution of high-level drug traffickers. So, fortunately, San Francisco, Sacramento, Seattle, Portland, San Diego, Phoenix, and Tucson are all equally aggressive in the enforcement of the narcotic cases. And that, at least insofar as other California districts are concerned, might not have been the case 10, 12 years ago. Obviously, in terms of changed trafficking patterns, smugglers are more sophisticated now. It's a multibillion dollar business. They have at their disposal just about every means of conveyance possible. They have electronic gear that surpasses what we have, and we would put those under the category of changed trafficking patterns. They can simply bypass San Diego, or they can fly so high and so fast, literally and figuratively, that we don't have a chance at them.

I think also you should take into consideration, the fact that there have been some fairly significant Federal successes in terms of drug enforcement.

Paraquat, either one, because you are eradicating crops, or two, because of the attendant notoriety, has troubled potential abusers such that Mexico marihuana, for at least the last year or two, has been considered very inferior and low grade. The consumer demands something better.

San Diego being next to Mexico does not mean that they will find Colombian less attractive. They will probably get it from a mother ship, whether it's coming from the east, or west and went in San Diego.

You have heard by now, I am sure, quite a bit of testimony on Mexican brown; although now we have Asia as another source. GAO reports for 1979 and 1977 point out what is an obvious fact; there are so many areas in the world over which we have little control over climatic conditions that are conducive to growing poppies that no sooner do you stamp out one area and you have another. But at least Trizo was effective

DEA has been very effective in the dangerous drug area, particularly the exportation. And then I look to Congress in terms of the real significant strides here. We no longer have those situations where "60 Minutes" or a comparable show can document that 50 million pills were exported by a legitimate American drug company to a fictitious address that would be in the middle of a Tijuana golf course. It was a pretty pathetic situation, but it occurred. So I would certainly classify that as a successful program in terms of stopping the exportation of either drugs or precursors.

However, when we look at this dramatic decline, we also have to ask ourselves how effective we have been in Federal enforcement. I have spent the last 12 years in Federal law enforcement. We do have some problems. And although I would prefer to work narcotics cases; have spent most of my time as assistant U.S. attorney working narcotics cases, and consider many of the agents in the DEA some of the finest professionals one could ever ask for in this field, Federal law enforcement is experiencing in my opinion a pervasive morale problem and a morale problem that affects motivation. It permeates the whole Federal enforcement program.

There are a number of reasons for this. You have got a period i our national history when from an economic point of view there i rampant inflation, and troubled times, and perhaps a misgivin about our foreign policy. But the point is, what you see and hear i the press or in the media, that's the same phenomenon, the sam psychological phenomenon that agents, whether it happens to be Treasury agent, or DEA agent, or FBI agent experience also. I terms of where we are going, what we are accomplishing; are w making substantial strides, and are we doing something that' worthwhile.

The current budget cuts couldn't come at a worse time. We i San Diego have been pushing for more people and more money better equipment for the last 10 years for drug enforcement, simply because the real sophisticated traffickers are as well educated as we are and they are better equipped. They don't have the budgetary constraints that we have. And now, rumor has it DEA is going to have to suffer about a 50-percent cut in operations. ATF, which has been rather moribund anyway, is going to suffer a cut. INS is suffering a cut. Customs is going to have somewhat of a cut from what I hear. They have not had much in terms of an operational budget for some of their enforcement efforts in San Diego over the last year or two. So that's simply going to exacerbate what had already become a very undesirable situation.

As Mr. Butler pointed out, you cannot develop effectively narcotics investigations, particularly with a view toward the use of electronic surveillance, with the view toward utilizing the Rico statute, or the continuing criminal enterprise statutes, or the civil forfeiture statutes. You simply cannot do it without the men, the money to embark upon a 2-, 3-, or 5-year investigation. Agents have to travel; they have to be able to buy narcotics and walk away from it. They have to buy the best equipment. They have to be able to communicate with their counterparts in Treasury and other agencies. Without that, you are just scratching the surface. You have got some mixed enforcement priorities. GAO did a tremendous job in pointing that out in their last surveys.

We really have no border as such. I mean, it's a sieve. We have elected, for a variety of reasons, some of which are very good, to have a rather open border, historically and traditionally. San Ysioro, which is the largest port of entry in the Nation probably has something like 30 to 35 million people, and vehicles cross its threshold every year. There is no way you can search every person or every car. There is a commercial gate for the business world. And professional smugglers are very adept at compartmentalizing cars, trucks, vans, and commercial vehicles in such a way that they are hermetically sealed. It's virtually impossible to detect where the narcotics are.

So that situation doesn't help when you have people wearing different hats. An INS man has certain priorities in his job description and he knows what he should and should not do. A Treasury official and/or custom officer will look for something else. San Diego has always, and also the U.S. attorney's office has always, been a promoter of a type of border management agency, whatever name you want to use, however, it's put together. There is no question that you have to have a unified command. So everyone has a variety of responsibilities, and they are just as conscientious and conscious of those involving immigration as they are those involving narcotics.

Another factor that we have often thought played some part, albeit a minor part, is the aging factor. And it's not limited to DEA. It's something taking place in all Federal agencies. One, you have budgetary constraints such that you can't put on new people, maybe you can't even fill openings. The result is that the imaginative, bright 25-, or 28-, or 30-year-old hard-charging investigator of a few years ago who would work day and night and New Year's Day and Christmas or Thanksgiving, who would be on surveillance to the detriment of his family because he was so enthused about his job is becoming a rarity. You are losing those people. As we all age, we mellow. We are concerned about our other commitments, and particularly if that individual who was hard-charged at the age of 30 perceives a certain lack of direction in his work——

DIRECTION OF MANAGEMENT

Senator **DeConcini**. Is that a lack of recruiting for younger people, or lack of giving enough support and direction to the agent that matures or gets a little older?

Mr. **Nelson**. Well, I suspect, Senator, more the latter. In terms of recruiting, I don't know if they are in a position to recruit; if their budgetary considerations are such that they simply can't hire these young people. But there is no question that as agents grow older they—and it's a very dangerous role. You have heard from this undercover man who worked for, I believe an Arizona State agency. It takes a certain type of individual or mentality, a certain type of courage to participate in undercover operations; to go through a door not knowing whether there is someone with a shotgun behind it. And what we do at 25 or 30 as young men, I doubt that we would do at 45 or 55. So there are a lot of people in agencies——

Senator **DeConcini**. How do you change that?

Mr. **Nelson**. I don't know if you can change that. I think that's a natural phenomenon. I think you have to continually bring young, new talent in. You have to recognize where people's talents are. The man who was a hard-charger at 30 and terribly bright, and imaginative may be a tremendous intelligence analyst at 45. He may have the ability to sit down with a senior prosecutor, map out over a period of time the very all-encompassing conspiracy that might affect 20 or 30 States, and then he can direct the activities of his protege who is 25 or 30 and thinks he will live forever and is invincible. But this is a phenomenon that you simply cannot ignore.

Senator **DeConcini**. How much do you think leadership from the top can develop that?

Mr. **Nelson**. Well, there is no question that leadership can make the difference between apathy and a pretty aggressive group of agents.

LEADERSHIP OF DEA

Senator DeConcini. Would you care to comment on your experience with that type of leadership or lack thereof in DEA or Customs, and along the border of California? Has it been able to develop and maintain that kind of leadership?

Mr. Nelson. I think DEA is in much better shape than many of the Federal investigative agencies or enforcement agencies.

Senator DeConcini. That's currently and just recently rather?

Mr. Nelson. Well, I think Mr. Bensinger has done an excellent job. And there is always a certain turnover in Administrators or Commissioners. But if we look back a few years, I would like to give you a little insight as to how what an Administrator or Commissioner says can affect his troops. And I am not sure that the quotes attributed to Mr. Chasen are true or not, but we did a survey a number of years ago. We were very concerned about the decline in port seizure. When the checkpoints were in operation, we used to have 30 to 50 routine drug cases of marihuana, heroin, cocaine. When I say routine, I mean it was an apprehension, seizure, and an arrest as a result of a search at the border or a search at a checkpoint. When we lost the checkpoints, we encountered a substantial decline in cases, understandably. But the ports of entry had always generated a substantial portion of our drug caseload. Now, they have fallen off, just as Mr. Butler has perceived here in Arizona.

PORT SEIZURES

So one of the reasons we made a survey a few years ago was to find out why it was we didn't have port cases any more, at least not in the volume that we had before. We interviewed confidentially, with the understanding that there would be no attribution, hundreds of inspectors from Florida to southern California. The survey was not limited simply to Customs, but ports of entry in terms of inspection staff, INS, or Treasury. And we kept hearing again and again that there was simply no incentive to be aggressive at the ports of entry; that there were social and political considerations. They couldn't back traffic up in the middle of Tijuana. The mayor would be on the phone, and the businessmen would be screaming.

Operation Intercept and a few of the other programs, I think, gave us some indication of how we have to be fairly pragmatic when it comes to the flow of traffic, both in and out of Mexico. But many, many inspectors kept telling us, "why should we be more aggressive; why should we risk a possible civil rights suit when our own Commissioner is saying things like: 'Drugs are a DEA problem. We are a nonenforcement agency.' " People were told that they were not to wear guns. Inspectors and custom patrol officers would relate to us that the Commissioner didn't believe in marked cars or the—excuse me, the use of unmarked cars or plainclothes individuals.

Now I don't know if these quotes are true or not, and as we all know, many, many times quotes get massaged and distorted along the rumor mill. By the time the scuttlebutt reaches the troops in the frontline, the implication may be 180 degrees from the man's intent, if indeed the words were uttered. But if quotes, or if remarks, or if reflections of that nature circulate among the enforcement people on the line, it's going to affect their attitude and their motivation.

And several years ago, if you took a vote among Customs inspectors who were right on the line there to stop and search cars, people, and trucks, they would tell you that this is what they heard and they believed it. And therefore, if their leader was saying things like that, why should they be aggressive just because some young prosecutors in the U.S. attorney's office keep thinking that they are not aggressive enough, or they haven't seen enough drug cases?

CUSTOMS—DEA INTERFACE

Senator DECONCINI. Well, if Customs' policy is that under the 1973 Reorganization Act, DEA became the primary or the lead agency, that would indicate to me perhaps that, that's not the best thing to do. How do you respond to that, either one of you, as to DEA having the sole area of enforcement on drugs?

Mr. NELSON. Well, the problem there is maybe a misperceived case of priorities. There is no question that DEA has sole responsibility for investigating and developing drug or narcotic cases.

Senator DECONCINI. Yes.

Mr. NELSON. But Customs has a very historical, traditional, and legitimate enforcement role. They are the policemen, so to speak, on the line. And it's up to them to interdict the flow of narcotics.

DEA cannot do that. They are not equipped to do that. That's not their mission. They should follow up on those seizures and develop them as best they can.

Senator DECONCINI. You are saying that Customs used to be far more aggressive in that area?

Mr. NELSON. No question.

Senator DECONCINI. And still should be, in your opinion, and could be?

Mr. NELSON. No question. Bear in mind that in the prosecution community in San Diego I am considered a little to the right of Benito Mussolini. But there is no question that Customs has experienced some internal problems.

When we were making this survey, an inspector said that the phenomenon at the port of entry of San Diego was attributable to what they call the white flight, which is obviously a racist term. But there is a lot of resentment and a lot of belief on the part of some inspectors that promotions were based on something other than merit. And that killed a lot of incentive.

When this scuttlebutt circulated that Customs people were in effect well-paid greeters performing a social function as opposed to a law enforcement/police function, that affected their attitudes. And the aging factor was mentioned by virtually all of the inspectors. That those inspectors, the bright, aggressive, imaginative inspectors in their late 20's and 30's of a decade ago have either, retired out, gone to another agency, or been promoted. In recognizing their talent, their agencies promoted them to a higher position. But they had an experience quotient or factor that was just phenomenal.

Senator DECONCINI. Has that been replaced?

Mr. **Nelson**. It has not been replaced.

AGGRESSIVENESS OF FEDERAL LAW ENFORCEMENT AGENCIES

Senator **DeConcini**. Let me ask you both a question. The testimony you gave us today about the decline of the cases of controlled substance and the decrease in heroin and marihuana, you attribute that to a number of things. But is it fair to attribute it to the less aggressiveness of the Federal law enforcement agencies?

Mr. **Nelson**. In terms of marihuana, I would think that if you could say they were less aggressive, I tend to think that in terms of their priorities and policies, there may be a few in the drug enforcement administration who believe marihuana is the lesser of many evils, and therefore they concentrate their activities on heroin, cocaine, and PCP which are obviously the most dangerous of all the controlled substances we are concerned with. The decline in marihuana is more attributable to the changed trafficking patterns, the paraquat program, and the increased demands of the U.S. consumer.

Senator **DeConcini**. What do you think, Mr. Butler?

Mr. **Butler**. I would have to agree with Mr. Nelson. In addition, we all have the feeling that we don't have a proper handle on what is going on out there. I don't know if it's that we have always, well, for the last 10 years or so, turned our eyes south to see where the narcotics are coming from and we can't look anywhere else, or what it is. But we don't—we are certain that there is more coming in than we are catching.

It's true that the Customs inspectors still make small seizures, but they are not making any big ones. Does that mean that there are no big seizures to be made, or does it mean that they are coming in some new way? We just don't know.

I know that the morale problem that Mr. Nelson talked about is one that exists in Arizona among the agents. It is very frustrating and very oftentimes maddening.

Senator **DeConcini**. Are you talking about DEA and Customs both?

Mr. **Butler**. Yes. I mean, I know personally that there was one organized crime case I was involved in where I was unable to get an agent to work during the Christmas holidays and undercover operations were occurring. But had agents not taken their vacation time then, they would have lost it. I understand the need to take vacation, but you can't always take vacation when you want to, because the deals are set up for different days. And the narcotics traffickers, I think, know that agents, like anybody else, don't want to work on Christmas Eve. But sometimes, that's when deals come down.

MORALE AMONG AGENTS

Senator **DeConcini**. I am not asking you to be critical of any particular administrator, but you leave me with the distinct impression that there is a morale, heavy morale problem, some of it related to age, but obviously it's related to leadership, is it not, in DEA and Customs?

Mr. **Butler**. I suppose that there is some of that.

The other thing, too, I think that's happened at least in southern Arizona, is a lot of more aggressive agents got transferred to the southeastern part of the United States or got transferred into Texas. And the agents that you could always count on to be the ones out there buying the dope on the street and kicking down the doors and doing the enforcement job that has to be done, they got moved to where it was perceived that a greater problem existed. And it has taken some time to generate new activity. I think that the leadership has tried to do that.

Senator DeCONCINI. Would you say it failed?

Mr. BUTLER. I would say that there is always a conflict that exists betweem prosecutors and agents. But we could have—we should have more cases than we have.

Senator DeCONCINI. Mr. Nelson, do you agree with that, that you should have more cases?

Mr. NELSON. I certainly agree with Mr. Butler in terms of cases.

DRUG CZAR

Senator DeCONCINI. And my concern—I realize you gentlemen have to work with those agencies, and I am not going to try to put you into a box. But if you could help us, for the record. You have got less cases, morale is down, and yet you are hesitant to say that they are not doing a very good job, the policy guys and some of these agencies. Isn't that really what we are talking about; that they haven't been able to put it together, to be more aggressive, to have more incentives, to have better morale? Maybe you could pass the buck to Congress. I wouldn't say that we haven't been a problem in that area, but trying to get to a cure, is it that we need a better policy from the top, from the White House, from the enforcement agencies? More cooperation; maybe a drug czar who is going to take command of this thing from the law enforcement point of view and mobilize all of the various Federal agencies, and mandate that they lay down their jurisdictional squabbles and work together or get fired or transferred? Is that what we are looking at? Is that what you think we need?

Mr. NELSON. I don't know if we need a drug czar, but if you mean some individual or some mechanism by which you can bring together the skills and abilities of IRS, Customs, INS, Border Patrol, ATF, and perhaps even the FBI, there is no question that if you had some sort of integrated force, and if you had the ability to coordinate the efforts of all of these agencies and direct them in areas of drug enforcement, you would have a much better product. Communication or the lack of communication is one of the biggest stumbling blocks that all of us have encountered, both on the prosecutive level and the investigative level.

Frankly, I think DEA is one of the best Federal investigative agencies. However, I am continually troubled by the perceived role which Custom patrol officers and Custom inspectors seem to think they are required to carry out. I—DEA can only do so much.

BUY/BUST MENTALITY

Senator DeCONCINI. Do you think DEA's policy of street busts has changed at all in the last couple of years?

Mr. NELSON. Well, street busts or the buy/bust?

Senator DECONCINI. Excuse me, buy/bust.

Mr. NELSON. That's only one of the many ways to develop bigger and better cases. And obviously, it's a fairly effective tool, but it's only one of many. The arsenal of weapons available far exceeds buy/busts.

Senator DECONCINI. Would you agree that there is kind of a mentality of buy/busts in DEA?

Mr. NELSON. Well, we have had a number of debates in the U.S. attorney's office on this. It's called powder on the table. That's the psychology. And both the Department of Justice and DEA have said buy/busts are fine. They're an essential law enforcement tool. We obviously are carrying out our mission there. But in the hierarchy of case priorities, we want to concentrate on major, multistate, multidistrict, international conspiracies, which is what the drug units are designed to do.

I spend 99 percent of my time directed at conspiratorial-type offenses.

Senator DECONCINI. Do you think that's what DEA primarily does then, rather than the buy/busts?

Mr. NELSON. Well, I think they probably do a combination of the two, and they are a little schizophrenic in that respect.

We, on the one hand—I think Congress perhaps looks at statistics, at seizures, at figures. So when you have got a 20- or 30-year history of showing Congress the various seizures you have made and the people you have arrested, pounds, ounces, and body count, for what Congress is going to give an agency in terms of budget, and on the other hand you talk about long-term conspiracy investigations that may tie up a significant amount of manpower and only result in three people being indicted, and maybe they get 5 or 10 years apiece or they get probation. There is no question that our priorities are in the direction of conspiracy development. But, this schizophrenic phenomenon comes into play when they have to justify their existence. And traditionally they have done it by body count, dope, and cases as opposed to maybe one all-encompassing conspiracy that tied up 10 agents for 2 years. If 10 agents for 2 years had enough money to go out and buy dope, they might generate 50 or 100 cases.

In the scheme of things, I am more concerned about that one all-encompassing conspiracy that dismantled an ongoing trafficking organization dealing in hundreds of millions of dollars. But I don't want to ignore the fact that you need an enforcement effort at the same time directed at the 300 small dealers who should be arrested and prosecuted.

Senator DECONCINI. Mr. Nelson, I have had the availability of some reports that you have written, and they are very helpful. They have been in a confidential nature and will remain such.

Have you been under any pressure to withhold statements? Has your testimony here today from Justice—or DEA, or anybody else been reviewed or edited?

Mr. NELSON. No. As a practical matter, I was encouraged to attend. And I have been tied up in some grand jury investigations. I am on my way now to meet with the U.S. attorney in Miami on an international trafficking case that's at the point where we hope to unveil very shortly, and what we consider to be a precedent-setting indictment, contemporaneous with the arrest of some individuals.

Both the Executive Office and the U.S. attorney, my U.S. attorney encouraged me to adjust my schedule so I could be here.

Senator DeConcini. Well, I would like to express my thanks to Mr. Walsh for permitting you, and thank you for your testimony.

We are interested in trying to determine why the caseload is down and yet the other crimes that are related to drug abuse are up, at least in this part of the country. And it's very difficult to see these two things, or to correlate these two things. And I think that we have had some success here. I am still at a loss to get an answer of why your caseload is so down.

You have 36 lawyers now, and yet your drug cases are way down. Are you spending more time on organized crime, or the conspiracies?

Mr. Nelson. There is no question that we try to spend the bulk of our case time on conspiracy cases. But we are equipped, we have the attorneys available to handle a much greater routine caseload. When I say "routine," I mean, as Mr. Butler pointed out, the door-kicking situation where you are executing search warrants, on stashes of cocaine, marihuana, heroin, or you have a buy program.

Of course, we don't have enough money therefore, you are not going to have much of a buy program. And if DEA does not have the money bo buy and walk away from those buys and continue to cultivate and develop those individuals to the point where perhaps you are in a position to apply for electronic surveillance or to go before the grand jury and spend 6 months in the grand jury to get the financiers, you don't have that buy money in the budget, you will never get to the kingpin. And what we are saying now is this penny-wise, pound-foolish program whereby you have $30,000 and $35,000 a year trained agents who have been sent to some very expensive conspiracy schools, they have been trained in financial investigations, and they come back from Washington with nice little notebook ready to go, and they have no budget to infiltrate these organizations or to travel and follow up on leads and interview witnesses. It's about as absurd as the situation we had 2 years ago when we had a $30,000 a year Custom patrol officer and $5,000 car with $2 worth of gas at a fixed point near the border. And all he could do is get out his binoculars and look around. Well, with a marked car on a high hill 2 miles from the fence, I mean obviously smugglers and aliens, and everyone bent on crime avoided him like the plague. But we continued to buy those new cars and pay that man a salary but wouldn't give him the gas to do anything. And that's about the situation I think we ave encountered with DEA particularly. There is some tremendous talent within DEA; a lot of former Customs agents, a lot of former border patrol officers. Border patrol has one of the finest law enforcement academies, bar none. A lot of people who have been trained by the FBI, by border patrol, by Customs went into DEA upon the merger, and intelligence agents also. Within San Diego, I think they have approximately 50 to 55 full-time operational agents and at least 2 dozen of those, possibly 30 all have an interesting background with other Federal law enforcement agencies that makes them a very compatible, and imaginative, and successful or potentially successful group. But if they don't have the funds to go out there and do their job, I mean, we are just throwing the money away.

Senator DeConcini. Do you think just by putting some more money into it they would be extremely successful?

COMMUNICATIONS SYSTEM

Mr. Nelson. Well, you need a little more than money. First of all, you need a system of communications.

Senator DeConcini. Which we don't have?

Mr. Nelson. Such that these agencies can work together. You obviously need some unified direction.

Senator DeConcini. Which we don't have?

Mr. Nelson. That's correct. So you can draw upon all the resources and tools. You have got to set down some priorities and guidelines.

Senator DeConcini. Which we don't have?

Mr. Nelson. It's a little difficult to set up priorities that go beyond your individual agency. And I am speaking only as an individual, an individual prosecutor. I would rather prosecute than do just about anything in this world. Congress has made it very, very difficult to acquire and exchange intelligence information of the nature needed to penetrate large-scale, well-financed drug trafficking organizations.

Senator DeConcini. Are you talking about the restrictions on IRS, or the Freedom of Information Act, or the combination of both?

Mr. Nelson. The combination of both.

Mr. Butler. As an individual, I would second that.

Senator DeConcini. Thank you very much.

Mr. Nelson. Thank you, Senator.

Senator DeConcini. We are going to take a 5-minute break. We will then have a panel of Stephen Neely and Joseph Abodeely.

[A brief recess was taken.]

STATEMENTS OF:

STEVE NEELY, PIMA COUNTY ATTORNEY, TUCSON, ARIZ.

JOSEPH ABODEELY, ASSISTANT PROSECUTOR, MARICOPA COUNTY ATTORNEY

Senator DeConcini. The subcommittee will reconvene. At this time we are going to have a panel of two eminent, nationally recognized prosecutors; Steve Neely, Pima County attorney from Tucson, Ariz., and Joseph Abodeely, assistant prosecutor, Maricopa County attorney, to talk about the State and local perspective and exactly what the problems are and what suggestions they might have. Would you like to leadoff, Mr. Neely?

SUMMARY STATEMENT

Mr. Neely. Surely. I will keep my comments shorter than my summary that I turned in this morning.

I was asked to discuss four things. The first one was the priority given by the County Attorney's Office, and I think I could summarize that by saying that in general, when cases involving heroin, cocaine, and dangerous drugs involve evidence of trafficking, they are given high priority. Typically as the indicators of heavy trafficking decline, they are given less priority.

The second factor that I was supposed to discuss was trends and total numbers involved in controlled substance indictments between 1975 and 1979. You can see from the material that I have brought in in the form of a summary, that between 1975 and 1978 narcotics cases ran anywhere from, say 1,000 to 1,200 cases a year. We had, although it's not reflected on a sheet, a fairly dramatic drop in the year 1979. And I will give you those figures, although they are not reflected in the sheet. Our narcotics cases dropped from 648 in 1978 to 350 in 1979. Dangerous drug cases increased from 99 in 1978 to 150 in 1979. Marijuana felony cases, which would be marijuana other than simple possession, dropped from 432 down to 240 approximately, and misdemeanor marijuana cases, which would be small quantity possessions, dropped from 506 down to about 100 cases in 1979. So there was a relevant drop of between 30 to 40 percent in prosecutions between 1978 and 1979.

With respect to trends in referrals, as I think Mr. Butler pointed out, we have not been involved in a lot of case referrals from the Federal law enforcement agencies in Pima County. In fact, traditionally it has gone the other way, largely because the Federal judges in Pima County have tended to treat narcotics offenders with considerably more severity than the superior court judges have. Consequently, the referrals have generally gone from the local and State level up to the Federal court.

Recently there has been a pretty dramatic diminishment in that area as well. We have dropped down now to the point to where there is very little interjurisdictional referral among the prosecutors, and I think that probably is accountable as a result of the rather dramatic diminishing of the total number of narcotics prosecutions.

The final thing that I was asked to discuss was the relationship between high crime and property crime rates and drug abuse. I think traditionally in Pima County it has been recognized that our epidemic rates of larceny, auto theft, and burglary are directly related to a fairly substantial narcotics addict population, and I don't think that's changed.

Just in general summary, I have heard a lot of interesting things said this morning. I would just try to give you a perspective from a local prosecutor's point of view. I think that when you are talking about narcotics and drug trafficking in Arizona, you have got to remember that we may have a somewhat distorted viewpoint. The kind of trafficking that exists today in Arizona might perhaps, in a Midwestern city of comparable size to Tucson, for example, be considered something that would get the populous up in arms on a daily basis. But the fact of the matter is that because Tucson, for example, was considered such an importation center in the early seventies, and because the flow of illicit drugs was so heavy in the early seventies, I think we tend to minimize the existence of it today. Because I personally believe, that the reduction in prosecutions—and, I think, perhaps a diminishment in terms of the statistical data available from Customs—will indicate that we are no longer the importation center that we once were. I have explained a couple of reasons for that. I think one is geographic. I think that the southeastern borders have become the major area of penetration. I think, second the paraquat program made a great deal of difference. And I think finally, there was a period of about 4 or 5 years between 1974 and 1978 when the law enforcement agencies did a pretty terrific job in dealing with the problem of importation.

You asked a while ago, if I might just close by answering the question that you asked, at least as far as I see it, why we have a reduction in prosecution and a fairly stable property crime impact. I think that when you have vast quantities of drugs being imported into a State like Arizona, you have a tremendous spillover effect. That is, as it's passing through Arizona on its way to Chicago, or New York, or wherever it might appear to be going, you have a tremendous spillover effect that tends to build an addict population. Because as long as you have the stuff going through, we might as well drop off a little bit for the locals, or pay off a few of the people that are helping us, in quantities of drugs. I think as a result, Arizona did build up a tremendous addict population.

I think the reason that we have not seen much of a diminishment in our street crime, even though I don't happen to believe that the importation of illegal substances is as much of a problem as it was a few years ago, is because that addict population is still with us.

I think that the nature of the drug problem in Arizona is vastly different from what it was, say 4 years ago.

Senator DECONCINI. It's not declining then by any means?

Mr. NEELY. I don't think that our local addict population is declining, but I do believe that we don't have the tremendous smuggling and importation problem that we had.

I don't believe that we have that kind of activity here to the great extent that we did here before.

Senator DECONCINI. Mr. Neely, it's ecnouraging to hear that you have a feeling that law enforcement has functioned well. And presume you are talking about mostly State and local law enforcement?

Mr. NEELY. Not necessarily.

Senator DECONCINI. You are talking about the Federal level also?

Mr. NEELY. Sure. I don't think you can diminish the activity that Customs has on the border here.

Senator DECONCINI. As far as Arizona is concerned, you have seen a great improvement over the last 3 or 4 years——

Mr. NEELY. Yes.

Senator DECONCINI [continuing]. In this whole effort. That's about the first encouraging word on the subject.

Mr. NEELY. Yes. I knew I wasn't going to be in line here today.

Senator DECONCINI. And I am glad to hear it, because I am kind of getting the feeling that the problem is still severe. But at least as far as Arizona is concerned, it's better than it was 4 years ago when I was county attorney?

OVEREMPHASIS ON STATISTIC

Mr. NEELY. Well, you know, I'd like to make an observation. It's a little presumptions for me to make it, and maybe it will make some of the people in the back of the room angry, but you know, there is a tremendous amount of pressure levied against State agencies and local agencies in defending their budgets to come up with impressive statistics. Although there is tremendous effort, I have seen that same kind of thing in DEA and Customs by the Congress.

The U.S. attorney from San Diego talked about the reduction perhaps—I don't know whether it exists. I am going to accept it at face value—to major narcotic conspiracy cases. One of the reasons is because it's very difficult to work those major conspiracy cases and devote the 2 years that you have to and still give the people that are pushing you in Washington the kind of statistics that they apparently need to see in order to give you money.

If we talk about a relative lack of sophistication among the law enforcement community, it is nothing compared to the lack of sophistication that I am sure you have seen in Washington.

Senator **DeConcini**. Well, you make a good point that I think needs to be said, and I am glad you brought it out on the record if anybody should take the time to read this in Washington, and I hope they do. We must recognize that mere numbers doesn't mean that you are succeeding in getting to the root of the problem or getting to the criminal element. And indeed what is important is to spend the time on the bigger cases and bigger defendants.

COOPERATION WITH FEDERAL AGENCIES

Do you find that the cooperation with the Federal agencies in your office has been improving in the last, say 12 months?

Mr. **Neely**. With the U.S. Attorney's Office. We don't have a great deal to do with the Federal enforcement agencies. I think that you are going to see, even if you come up with some sort of a program to push cooperation as an answer, some reluctance on the part of the State and local people, whether they will admit it or not, to be cooperative because of the closing remarks of the U.S. attorneys. The Freedom of Information Act and some of the other legislation that has been applied to Federal law enforcement agencies to a certain degree has a spillover effect on locals.

Senator **DeConcini**. Do you think that works both ways, that the local law enforcement agencies are reluctant to give information to the Federal agencies?

Mr. **Neely**. I don't think there's any question about it. When you become aware of the tremendous commitment of resources that DEA and Federal agencies have had to make just to answer inquiries under the Freedom of Information Act, I think that there is no question but sooner or later it's going to affect the cooperation, upward cooperation, from State and local people. I agree wholeheartedly that the difficulty in making major conspiracy cases with the kind of restrictions that are put on regulatory agencies, the kind of restrictions that are put on the free flow of information between agencies, has made it extremely difficult to work those types of cases.

I just have one more observation, and that is essentially that when we talk about reduction in prosecutions, you know, back in the mid-1970's, we had a lot of people coming here from other States. They were relatively high profile compared to some of the people that we have involved in conspiracies now, because they came in and they had to get out. Make their connection, and get out in a hurry. Making conspiracy cases against those kinds of people was not as difficult as it is making conspiracies against the people who are involved in them in Arizona today. What we have in Arizona today are survivors. We have the folks who operated during the heyday and who were best because they didn't get caught. They are still operating today, and they are going to be the toughest type of conspiracies to crack. I think that there has to be not only additional resources in terms of flexibility, there has to be less pressure from the funding agencies to make the kinds of cases that seem to impress them, and perhaps more recognition of the fact that when you are working the tough ones, the statistics go down.

Senator **DeConcini**. Well, Mr. Neely, I think you have demonstrated the importance of aggressive prosecution and not laying it just to statistics. I think you make a good point that everyone can be educated. I am also inclined to come to the conclusion that the mere fact that you have a decline in the cases certainly doesn't mean that we ought to cut back. It may mean that this is some deterrent effect of having the available attorneys. Do you still have attorneys available in Pima County for law enforcement officials on a 24-hour basis?

Mr. **Neely**. Yes; we do. And we still have prosecutors assigned to specialize in narcotics prosecutions.

You know, I might add, there may be some tendency to assume because there are few prosecutions that it's because we have changed our standards. But I think we have demonstrated over the years that we are not reluctant to prosecute in the area of narcotics, and we haven't changed our——

Senator **DeConcini**. The cases just haven't come up.

[The statement follows:]

STATEMENT OF STEPHEN D. NEELY, PIMA COUNTY ATTORNEY AND ADMINISTRATOR, ARIZONA DRUG CONTROL DISTRICT

(1) Priority given controlled substance cases by the Office of the Pima County Attorney:

Cases involving heroin, cocaine and dangerous drugs (amphetamines, PCP, LSD, etc.) are given high priority where the quantities of the drugs or other factors are indicative of trafficking activity. As the indicia of trafficking diminish, the cases are given lower priority. Major traffickers are prosecuted by attorneys who specialize in drug conspiracy prosecutions.

Marijuana cases involving fewer than hundreds of pounds fall substantially lower on our scale of priorities than those involving drugs considered more dangerous. Simple possession of marijuana cases are routinely processed through magistrate (justice of the peace) courts as petty offenses.

(2) Trends and total numbers involved in controlled substance indictments between 1975–79:

	Narcotics (heroin and cocaine)	Dangerous drugs (all)	Marihuana	
			felony	misdemeanor
1975	457	78	508	405
1976	664	149	836	584
1977	406	89	803	648
1978	648	99	432	506

The figures above represent total counts filed during the respective years. Controlled substance violations represented between 20 and 25 percent of our overall felony case load. During the period 1978–79 the overall quality of the cases diminished in that fewer major conspiracies were filed than in previous years. Additionally, cocaine emerged as the dominant drug in the narcotic trafficking category and marijuana prosecutions dropped dramatically.

(3) Trends in case referrals from state and local agencies, Customs, and DEA: It has rarely been the practice of federal agencies to refer drug cases for prosecution in state courts. In fact, during the early 1970's it was our practice to refer major drug cases investigated by state and local officials to federal prosecutors due to the unacceptable leniency of our superior court judges in Pima County in such matters.

Such interjurisdictional referrals are rarer today due to policy changes in the U.S. Attorney's Office and the reduction in the number of major cases mentioned in subsection 2, above. Cooperation is quite good, but the need for referrals is not pressing.

(4) The relationship between high crime and property crime rates and drug abuse: Pima County has inordinately high larceny, burglary and auto theft rates. While there are numerous factors that contribute to the situation, such as weather, transient population, etc., it is generally believed that the major factor is our high addict population. Additionally, Tucson's proximity to Mexico has resulted in stolen property becoming a form of international currency for the purchase of drugs from south of the border.

Conclusion: Drug trafficking in Pima County is currently under better control than ever before.

Importation of marijuana, for which Tucson was once justifiably notorious, is no longer a major problem due in large part to state and local enforcement efforts in Arizona and federal (DEA) crop eradication efforts in Mexico. Marijuana traffickers have apparently learned as a result that a better quality of marijuana can be grown in backyeards in Tucson and distributed in smaller quantities for larger profits. It is, however, unlikely that backyard growers will soon rival the multi-ton importers of the past.

Reduction of marijuana traffic has also resulted in a reduction of ancillary trafficking in harder drugs. However, heroin is still readily available in Tucson and cocaine is emerging as a dominant "recreational" drug.

Despite the fact that drug abuse and commerce are not as rampant as in recent past, Pima County retains the potential for an explosive resurgence of the large quantity, large profit operation of the late 1960's and 1970's. What happened once can happen again unless we remain vigilant.

Senator DECONCINI. Mr. Abodeely.

Mr. ABODEELY. Thank you, Senator, and members of the panel. If I may start by first of all summarizing the written testimony which I have provided to you.

Senator DECONCINI. Please proceed. We will put the entire statement in for you. Please summarize.

Mr. ABODEELY. And what I would also like to do, if I may, I have listened to the comments of the others who have testified in this hearing, and I made some notes. I think we all have recognized that there is a problem in various areas, and I just jotted down some potential recommendations for whatever they are worth. Perhaps they may be of some interest.

Senator DECONCINI. They will be very helpful.

SUMMARY STATEMENT

Mr. ABODEELY. Basically, sir, as you are aware, the county attorney is responsible for prosecuting offenses in the State and, of course, those offenses also include drug violations. And this is noted in our testimony simply to apprise the panel that this is the perspective from which the county attorney speaks. Their working relationship with the working law enforcement agencies and the enforcement of drug laws.

Regarding drug case priority, the Maricopa County attoney's office places a high priority on drug case prosecution. Drug charges accounted for 25.8 percent of all charges filed in 1978. But in 1979, drug charges accounted for 23.8 percent of all charges filed. So it would appear there that the filing of drug charges has gone down. But I would like to make a point regarding that percentage of the total cases of drug charges filed. It looks as though they have gone down, but I would like to relate this to a comment that Mr. Neely made, and that is don't be deceived by the fact that filing of drug charges have gone down. The reason why the percentage of drug charges went down was not that less drug charges were filed but rather that more nondrug charges were filed. And this is significant in relating to the last observation, and that is what is the relation of drug charges to nondrug charges being filed. I'd like to advise the panel of some of the considerations that we look at in reviewing drug cases, because I think that they might be helpful in giving the perspective, you know, what it is to analyze the drug case. And there are basically three things that local prosecutorial agencies look at; and, one, is in fact a drug involved and two, can you connect the drug to the suspect say in a possession case or in a sale case; and three, were the search and seizures legal. I think it's important to understand these considerations from the psychology and the standpoint of processing drug cases through the system. Because I think this relates to the drug cases that went into the system which subsequently influences statistics and realizing whether or not there is a problem.

In summary, for the first section of my testimony, I would just simply like to say that the county attorney's office does place a very strong emphasis or priority on drug case prosecution.

Trends in drug charges, I believe the panel and you, Senator, were interested in knowing trends in drug charges. As pointed out by Mr. Neely and others, marihuana, heroin, cocaine, and other dangerous drugs are still prevalent on the streets. So is PCP, and LSD seems to be making a comeback. I recognize that in making these observations to you, perhaps some of these are regional. I don't know if the same is true in Pima County. But this is the information and the experience that I have. So hopefully we don't experience perhaps that epidemic, so to speak, that was experienced during the sixties and the seventies. But I think it's interesting to note that some of the synthetic drugs are coming back, and of course conclusions could be drawn relating to why this is so. Is it because the availability of some of the drugs has become a little difficult to get? I don't know, and I don't want to speculate too far on that, but it is interesing to note that some of these synthetic drugs are coming back.

Other trends in drug cases and drug charges, of course, is the use of electronic surveillance in the charging of conspiracy cases. It was noted by other speakers, and I believe Mr. Neely was one of them, that—and I hope I am interpreting this correctly—that conspiracy cases are important, but we mustn't forget that they are not the only type of cases to be made.

Conspiracy cases can be very time consuming and can involve a ot of manpower on the part of a local law enforcement agency. That's manpower which could be used elsewhere to make these other drug cases, to make those magical statistics which funding agencies frequently are very interested in. My comments are not to take away from what I perceive to be a great importance of emphasizing electronic surveillance in conspiracy-type cases. I believe if the right targets are in fact designated—When I say "targets," I mean the ringleaders in the big drug rings. I believe that there can be a great deal of productivity as a result of those types of cases.

I refer in my testimony to the report of the Congress of the United States, put out by the Comptroller General. Because they made that comment, and the observation. And I would also like to point out, if I may, for the record, that I was very impressed with the report of the Congress of the United States. This report—I wish every citizen could read it. And I understand and I recognize there may be budgetary or monetary restrictions. But I was very impressed with the candor and the observations that were made. And hopefully those in law enforcement who have access to this report will read it, disseminate it and perhaps take whatever action they can in the context of their capabilities.

The third area, trends in case referrals. Well, trends in case referrals related to the type of drugs that are available on the street. And I believe they have commented to the types of drugs that are in fact available. I would like to comment and state specifically for the record that although we are primarily a State agency and deal primarily with local law enforcement agencies, we do have interaction case referrals from some of the Federal agencies. For example, the Drug Enforcement Administration has presented cases to our office, and we are in the process of handling some of those cases. Also, with customs, we are trying to work with some of their agents in trying to develop some currency cases. Although there currently is a Federal violation, the work being done is in conjunction between some custom agents and some of our local law enforcement agencies whereby we can derive some State charges and possibly Customs can derive some Federal charges. These cases are difficult to make, and so we haven't been successful as of yet. But I want you to know, sir, that we are working on it.

COOPERATION—ARIZONA DRUG CONTROL DISTRICT

Senator DECONCINI. Is that something new that has occurred just recently?

Mr. ABODEELY. Yes, it is recent that we have been working on it. And when I say "we," we have a customs agent assigned to the Arizona Drug Control District where three of the attorneys from the Maricopa County attorney's office are housed. If I may digress a second, I would like to insert that relationship into the record, because I think it would be important to show how this operation has worked and has helped to facilitate the coordination among various law enforcement agencies to include both State and Federal agencies.

Mr. Hyder, the Maricopa County attorney, has provided three deputies, three Maricopa County attorneys physically located in a building where the Arizona Drug Control District has certain agents located. The working relationship is all the drug related cases in Maricopa County are screened by those three charging deputies of the Maricopa County attorney's office, and intelligence information is also acquired by the Arizona Drug Control District at that same location in that same building in the First National Bank Building.

Senator DeConcini. If there is an arrest in Maricopa County?

Mr. Abodeely. Anywhere in Maricopa County——

Senator DeConcini. By say the sheriff, or by the department of public safety, or the Phoenix Police Department or Glendale, or anyone else, it goes to these people who are housed with the Arizona Drug Control District?

Mr. Abodeely. That's correct, sir.

Senator DeConcini. So you would know if there was another agency working on the case; right?

Mr. Abodeely. That's correct, sir. And the purpose for this is to try to centralize intelligence, get the knowledge gathering and hopefully——

COOPERATION BY DEA WITH ARIZONA DRUG CONTROL DISTRICT

Senator DeConcini. Now, there are DEA agents assigned there also?

Mr. Abodeely. No DEA agent is housed in that facility as of yet, sir. But the way that we get a working relationship is DEA is, of course—DEA has a task force which is composed of Federal agents, DEA agents, and representatives from several local law enforcement agencies, Glendale, et cetera; Tempe, Mesa, Scottsdale, whoever happens to be working on the task force at that time.

Senator DeConcini. Has this process worked well in your opinion?

Mr. Abodeely. To the best of my knowledge it has, sir. In all due candor, I don't feel the best qualified to answer that, because I think the agents who actually work in that situation would be the best ones to answer that question. However, some of the cases that are made under that task force concept will in fact be Federal cases and some of them will in fact be State cases. When I say State cases, they will be referred over to our office for reviewing process and general prosecution. In this way we get input and cooperation from DEA.

Also, we interact with them on occasion in terms of using mutual infomants. When I say "we," since it's those three attorney's function to provide legal advice and assistance to local law enforcement agencies who come in and request that assistance. Sometimes there will be a common informant who will want to be used by both the Federal and/or State agents, and we may become involved in that situation.

I don't want to digress and get off on that whole area too much, but I think it's important to show how this situation has facilitated interactionable Federal and State agencies, has allowed for greater collection of intelligence and ultimately subsequent dissemination of intelligence for those who take advantage of the intelligence system which is located in Tucson.

RELATIONSHIPS BETWEEN DRUG CRIMES AND OTHER CRIMES

Relationship between drug crimes and other crimes, I believe this was the last thing that you and your panel were interested in, sir. If I may, I would like to refer to my testimony. I noted that there used to be an expression not long ago called a dime baggie, and it meant $10 for a baggie of marihuana. Well today, a baggie of marihuana would cost anywhere from $50 to $200 a baggie, depending on where it came from and its condition. The same point is true for other drugs also. The point to be made, sir, is that inflation hits the drug market also. It's as simple as that. Everything has gone up. Heroin addicts frequently are not legitimately gainfully employed; yet, they need money to support their habits. Where does the money come from?

Burglaries, thefts, robberies—crimes relating to taking property which can be converted to money provide the money to buy drugs. It's also been our experience that some undercover fencing operations have shown that drugs can be traded for stolen property itself. In other words, if a guy doesn't have money, he can trade drugs for the stolen property and then hope to convert that stolen property later. It's difficult to quantify just how many crimes are committed in order to ultimately obtain these drugs, because the only way that it can ever be truly quantified, you know, to have an exact statistical breakdown, would be to ask the person, who committed these crimes: "By the way, why did you commit these crimes?" "Was it to support a habit?" And that's not very likely that we are going to get the assistance and help from these people.

I think commonsense and some experience show that there is a correction between drug crimes and other crimes.

With that in mind, sir, that is a summary of my testimony. But I would, if I may, just like to take a few more minutes and highlight some thoughts that came into mind as I was sitting in the audience listening to some things. And these are impromptu thoughts, but I would ask you to consider them for whatever they are worth.

Senator DECONCINI. Please so do.

POSSIBLE SOLUTIONS TO SOLVING DRUG ABUSE

Mr. ABODEELY. First of all, I think it's the consensus of those who have testified today that there is a problem, a drug problem. Without playing statistical games, whether it's gone up or gone down in drug filings and referrals, and how much you want to reevaluate statistics, drugs are prevalent on the streets. There is a drug psychology prevalent in our society today which causes people to want to use marihuana, heroin, PCP, cocaine, et cetera. Solutions, I would not be so presumptuous as to say these are the solutions and these are going to work, because I believe that this is the purpose of these hearings—I hope I am on the right track in assuming that hopefully you are trying to get this input and maybe something will come out of it.

I don't have any definite solutions. In my experience, I have seen some things, but I don't have the answers. And in all due candor to you, I would like to know who really does have all the answers. But here are some thoughts.

One, we need continued law enforcement cooperation. I think that's essential. I think that although different agencies at different times have different interests in, say sometimes taking credit for the bust, or taking credit for such and such, and so-and-so for whatever reasons, whether it's to enhance their statistics to get more people and equipment, et cetera, I believe it's essential that the agencies try to pool their efforts and combat this drug problem.

I don't want my statement to be misinterpreted either to indicate that I am throwing stones on the law enforcement agencies, because I am not. I believe that they are cooperating much more now than I have seen them cooperate in years past. And I would like to highlight that.

Another potential solution or recommendation, Senator, might be better intelligence collection and dissemination. There is no way to get at some of these large drug rings and conspiracies that we have been talking about unless we know who these people are. I think a step in the direction of intelligence-gathering agencies, I think, is a step in the right direction.

Another potential solution of recommendation—and I honestly believe that this is probably one of the most important ones—and that is to educate the public of the problem. I hoestly, sincerely, truthfully believe that the public does not really perceive that there is a big drug problem.

Senator DeConcini. Would you consider that that's also true of organized crime?

Mr. Abodeely. In part; yes, sir. In part. I think there are some parellels that can be made and there are some parallels that cannot be made in that area.

I think there are also some stereotyped images that come into play and perhaps could accurate perceptions of certain problems.

I, over the past couple of weeks, just out of curiosity, thought I would just sit down as I read the newspaper and clip out little articles of things that show problems. "Seven-Year-Old Is Nabbed With 11 Pounds of Pot" is an editorial on reefer realities showing the problems of marihuana. It's not an innocuous drug as many; many pot users begin at early ages. Also I read an article on your comment about perhaps having a drug czar to fight the trafficking of drugs. I don't know if that's the answer, but it may be a step in the right direction.

[The statement follows:]

Preface

By law, the County Attorney is the public prosecutor of the county, and he shall ". . . conduct, on behalf of the State, all prosecutions for public offenses." A.R.S. Sec. 11-531. These offenses include the drug violations under A.R.S. Titles 32 and 36. State law enforcement agencies within the county submit their drug cases to the County Attorney's Office for prosecution. In some instances, some federal cases will be submitted to the County Attorney for prosecution. The County Attorney, through his deputies, provides legal advice and assistance to law enforcement officers relating to: drafting search warrants, conducting searches and seizures, developing and preparing cases for prosecution, conducting legally sanctioned electronic surveillance and charging the drug crimes and prosecuting the cases.

Drug Case Priority

In 1978, drug charges accounted for 25.8 percent of all charges filed. In 1979, drug charges accounted for 23.8 percent of all charges filed. The reason why the percentages of drug charges went down was not that less drug charges were filed, but rather more non-drug charges were filed.

In fact, drug charges increased 2.9 percent from 3,266 in 1978 to 3,361 in 1979.

Even with charging policies which were tightened, there has been the increase in drug charges filed.

It should be noted that among the filing considerations the charging deputy uses are (1) was the substance in fact a drug? (2) can the drug be connected to the suspect? (3) were the search and seizure legal?

Three attorneys are assigned specifically to screen all drug related cases for charging drug crimes. They also provide legal advice to narcotics officers in the preparation of their cases. One of the attorneys is specifically assigned to handle electronic surveillance (wiretapping) narcotics cases. The attorneys also provide legal instruction classes/seminars to law enforcement officers.

These attorneys also work in close cooperation with the Arizona Drug Control District regarding intelligence acquisition and development.

Thus, the County Attorney's Office places a very strong emphasis on priority of drug related cases.

TRENDS IN DRUG CHARGES

Marihuana, heroin, cocaine, and other dangerous drugs are still prevalent on the streets.

Illegal use of marihuana is still the most prevalent drug offense committed, or at least, it is the most discovered offense. Sales of large quantities of heroin, and transportation of large quantities of marihuana and heroin have also occurred recently.

The County Attorney's Office in conjunction with the law enforcement agencies are using electronic surveillance more frequently to combat drug conspiracies. More "conspiracy" charges are also being filed by our office, and emphasis is on instructing both police and prosecutors on developing conspiracy cases.

The Controller General's Report to Congress regarding "Illegal Drugs" noted that on the federal level it was an important strategy by enforcement to focus on prosecution and conviction of high-level traffickers who direct major organizations. The report said:

"Experience has shown that conspiracy investigations are often the only way to proceed, since the kingpins usually avoid passing or selling the drugs themselves." p. 84.

Conspiracy prosecutions can be effective at the state level, also.

PCP ("Angel Dust") cases are also more prevalent in recent months.

TRENDS IN CASE REFERRALS

Case referrals from state and local agencies are consistent with the aforementioned trends in drug charges filed.

Although DEA is a federal agency and its prosecution procedures are normally through the U.S. Attorney's Office in Federal Court, occasionally a few of its cases are referred to our office for prosecution (e.g., smaller quantity drug cases or cases from task force of combined DEA and state agents).

U.S. Customs is also working with state agents to try to develop cases involving illegal transportation of U.S. Currency into Mexico.

Although there are some problems relating to jurisdiction and legal/administrative procedures between some of the federal agencies, there is significant progress in cooperation and working cases together between federal and state agents. A continued effort to coordinate the drug enforcement agencies efforts is essential to combat drug trafficking.

Relationship Between Drug Crimes and Other Crimes: There used to be an expression not long ago—a "dime baggie." It meant $10.00 for a baggie of marihuana. today, a baggie of marihuana, for example, could cost anywhere from $50.00 to $200.00 a baggie depending on where it came from and its condition.

This same point is true for other drugs, also. Inflation hits the drug market, too.

Heroin addicts frequently are not legitimately gainfully employed; yet, they need money to support their habits. Where does the money come from?

Burglaries, thefts, robberies—crimes relating to taking property which can be converted to money provide the money to buy drugs.

Some undercover "fencing" operations have shown that drugs can be traded for stolen property, itself.

Although it is difficult to quantify just how many crimes are committed in order to ultimately obtain drugs (unless the criminal says that's why he committed the crime), logic, common sense, and some experience show that there is a correlation between drug crimes and other crimes.

SUMMARY AND CONCLUSION

Because the County Attorney's Office works closely with the law enforcement agencies who enforce the drug laws, we are aware of some of their problems. We place a high priority on combating drug crimes by working closely with the enforcement agencies.

Drug crimes are increasing as are all crimes, and there is a correlation between drug crimes and some other crimes.

The upper echelon drug traffickers must be targets to get at the source of trafficking.

There should continue to be specialized prosecutors and law enforcement agents to combat drug crimes. Their numbers should be increased and their training improved to handle specialized areas such as conspiracies and electronic surveillance.

Most importantly, greater intelligence acquisition, analysis and dissemination should be conducted by appropriate agencies to target the "traffickers," for investigation and prosecution, and greater coordination and cooperation among all the law enforcement agencies combating drug crimes is essential to deal with the problem.

RELATIONSHIPS BETWEEN DRUG CASES AND THE IRS

Senator DECONCINI. Let me ask both of you a couple of questions here before we wind up this morning's session. If you had a chance to see the GAO report, you note that they go into some detail about the problem that Congress caused by, in essence, mandating that the IRS no longer participate in a number of areas. Do you run across that still in your prosecution cases, Mr. Neely?

Mr. NEELY. We do run across it.

Senator DECONCINI. When you run across big amounts of cash, what do you do with it now?

Mr. NEELY. Well, we don't run across them to the extent that we would, because of the IRS syndrome. That is, if you give out sensitive information about people's financial statements, you are going to go to jail, if you happen to be an agent. I think that syndrome has been passed on down to some of the State regulatory agencies and some other agencies.

Senator DECONCINI. What do you do now on a drug case when when you come in and you make valid entry; you have warrants, you come in and you find a lot of cash? You used to call the IRS. What do you do now?

Mr. NEELY. Well, I don't think that we are any less reluctant to do that.

Senator DECONCINI. Will they respond?

Mr. NEELY. That, I think, would be probably a question better put to one of the agents or somebody who was on the scene.

The difficulty from our perspective is that one of the avenues that's always existed for tracing people who deal in large sums of illicit money was to observe their lifestyle, and start doing financial background work on them. You can work that, I would say, from the opposite end that you work the standard narcotics investigation. Those kinds of avenues are not available to us, not only in the narcotics area, but they are not available to us in dealing with white collar crime.

Senator DECONCINI. So what you are saying is that was a huge mistake for Congress to change the IRS law.

Mr. **Neely.** Oh, sure. We get the impression—And I don't think there is anybody in this room that doesn't have this impression who is in the law enforcement business—that Congress and legislature are more afraid of us than they are the bad guys. It may well be that their motivation is pure, but they are a little thoughtless on occasion when they expect us, and put the pressure on us, to deal with these types of criminals who operate vast financial empire. Then they tell us we can't check their tax records, we can't go into the regulatory agencies to find out what they are. I think this was a tremendous mistake, just like I think the Freedom of Information Act was a tremendous mistake.

Mr. **Abodeely.** To go ahead and seize the money, they find drugs, and they find some balancing scales, and they find some little notes that say "To Johnny so-and-so; so many ounces"; you know, if they are that lucky. Lately I have received input from several agents that they are in fact seizing things like this. They have been lucky enough to come across the appropriate notes that indicate that the money is related to illicit-type conduct, which of course is important, Senator, because otherwise a person may commit a crime by selling dope but it may not be a crime for him to just have $50,000 in his safe at home.

Mr. **Neely.** We have got some legislation pending in Arizona that would allow us to seize the money.

Senator **DeConcini.** Oh, you do?

I don't know if you are cognizant of the report dealing with bail saying that we really need in the Federal level to restructure our bail policy and statutes, and that in essence I think the GAO went so far as to suggest that perhaps the judge should have the right to not permit bail on certain big drug users because of some examples where hundreds of thousands of dollars were posted and the defendant has never been seen again. How do you relate that to the problem of State's government? Do you have the same problem?

Mr. **Neely.** I think that the bonds typically that are set in Federal court are larger than the ones that are set in the State court, even when you consider the 10-percent factor.

Senator **DeConcini.** So you do have the same problem in the State court?

Mr. **Neely.** Oh, yes. It's not unusual to see a bond of a major violator in State court being set at $7,500 or less.

Senator **DeConcini.** Which is easy to make?

Mr. **Neely.** Yes.

Mr. **DeConcini.** Do you have the same problem?

Mr. **Abodeely.** Yes, sir. Our experience in Maricopa County is that, first of all, there is a presumption that all criminal defendants will be let out on bond.

Senator **DeConcini.** Yes.

Mr. **Abodeely.** Second of all, for drug offenses, because by definition it's a nonviolent crime——

Senator **DeConcini.** And that means it's easier to be released.

Mr. **Abodeely.** It's easier for him to get out. If in fact the judge considers that which our statutes consider, such things as ties to the community, he has a job, and there is no other indication that he is going to split, you know, leave the jurisdiction, other than the fact that he was charged with a crime; all of these things work in favor of the defendant at the time that he is charged. As a practical, realistic legal matter, almost all of these people will be left on bond. The irony of the situation, in our experience, is showing that they are still dealing dope while they were out on bond.

Senator DECONCINI. Gentlemen, thank you very much. Mr. Abodeely, I wish you would express my thanks to Mr. Hyder for your being available to us. And let me compliment you on the fine reputation you developed.

Mr. Neely, it goes without saying, thanks to the Pima County for your assistance.

Thank you, gentlemen. We will reconvene at 1:30.

SUBCOMMITTEE RECESS

Senator DECONCINI. We will recess until 1:30 this afternoon.

[Whereupon, at 12:15 p.m., the subcommittee was recessed to reconvene at 1:30, the same day.

(AFTERNOON SESSION, 1:30 P.M., MONDAY, APRIL 14, 1980)

STATEMENT OF GENE EHMANN, ASSISTANT DEPUTY DIRECTOR, ARIZONA DRUG CONTROL DISTRICT

ACCOMPANIED BY:

LT. ALEX CARRILLO, ARIZONA DEPARTMENT OF PUBLIC SAFETY, NARCOTICS DIVISION

CAPT. RICHARD BEQUETTE, NARCOTICS DIVISION, PHOENIX POLICE DEPARTMENT

SGT. WARNER WOLF, NARCOTICS DIVISION, TUCSON POLICE DEPARTMENT

Senator DECONCINI. The subcommittee will come to order. We are now going to proceed with the State and local law enforcement perspective on progress, and certain problem areas. We have Mr. Gene Ehmann, assistant deputy director, Arizona Drug Control District; Lt. Alex Carrillo, Arizona Department of Public Safety, narcotics division; and Capt. Richard Bequette, narcotics division, Phoenix Police Department, and Sgt. Warner Wolf, narcotics division, Tucson Police Department.

Gentlemen, thank you for being with us. Mr. Carrillo, you are at the right place?

Mr. CARRILLO. Yes, sir.

Senator DECONCINI. Mr. Warner, you are over there.

Let me first thank you for taking the time, and I wish you would express to the heads of each of your agencies our thanks and appreciation from the Committee on Appropriations that you would gather with us today to help us sift through the GAO report and the maze of problem areas dealing with Federal and local law enforcement in the narcotics area. We greatly admire each and every one of your agencies for the dedication that they have indicated and the leadership that has put them in a position of what we have heard this morning; some good, coordinated effort. And we are interested in your presentation today.

Mr. Ehmann.

OPENING STATEMENT BY MR. EHMANN

Mr. EHMANN. Senator, thank you very much for allowing me to participate in this conference of yours. Listening to the comments this morning, of course, affected some of the things I'm going to say.

In addition, what I have done is I have brought a series of charts which are somewhat demonstrative of some of the problems we have been talking about. And I believe if I were able to set the charts in that area—all right, that would be great. I might be able to speak from those and illustrate what it is I am driving at.

Part of the question, of course, in this whole process is to ask what is happening to the industry, what is happening to enforcement, to interdiction, to all of our combined efforts. In addressing that, I think part of the consideration should be what has happened to the population as a whole. Obviously, the population of the country is growing. In relation to the country itself, the border States that we were able to gather our most recent statistics from, which in this instance, Texas, California, and Arizona, our population increase is in keeping with what the rest of the country has increased. And in fact, in the instance of Arizona, slightly higher on a per capita basis.

BORDER AND PROPERTY CRIMES

Border crimes for this same base here shows us that between the time of particularly 1970 and 1978, the increase was obviously greatest from 1970 and 1975 and seems to be leveling out somewhat. Arizona, our own State, here has had a similar trend; Texas, New Mexico. [Indicating.] But in addition, what has happened with Arizona, is while we have leveled out, there begins to be a slightly growing increase.

Now these figures of the border crimes are figures from the uniform crime report from the FBI. The 1979 statistics haven't been released yet; however, they include auto theft, larceny, and burglaries. The reports of how they relate to narcotics and drug trafficking vary, of course. But many people will attribute someplace between 40 and 60 percent of these types of crimes in some way being related to or affecting that kind of trafficking. So these megamillions of dollars, in fact, into the billions, we are talking about just for these crimes; over $5 billion, will bring us eventually to the fact that what we are talking about here is supporting an industry of someplace in the area of $80 billion.

Senator **DeConcini**. Is this 5 billion just for these four States?

Mr. **Ehmann**. Five billion in the United States.

Senator **DeConcini**. In the United States?

Mr. **Ehmann**. Yes.

Again, what we have is another chart which will bring us into greater focus in the Arizona area. The statistical situation, of course, can be confusing. But these figures are illustrative of the kind of increase. While on the one hand what we are being told is that certain areas of drug trafficking has been reduced, or at least had a catapult on it; what we are seeing is a dramatic increase in property crimes, particularly in our two major counties in the State.

From 1975, the figures, here to 1978. [Indicating.]

Each of the particular respective areas has about tripled. Of even greater significance is that property crimes have increased to where there is a ratio of 15 property crimes to that of one violent crime, whereas it used to be 9 to 1.

The question in my mind goes to the fact that if certain of these areas are being interdicted, and we can keep the ratio—which may of course even be increasing—we can keep the ratio of what the percentage of the property crime revenues go toward the illegal drug trafficking, then what must be happening to us with this great increase of property crime——

Senator **DeConcini**. Now they are down from 1975 to 1978 slightly; is that right?

Mr. **Ehmann**. Up, considerably.

Senator **DeConcini**. Wait a minute. Pima here has 1975, 38,078. They are down to 35, slightly down.

Mr. **Ehmann**. That's the incident; yes, sir.

Senator **DeConcini**. And the same of Maricopa?

Mr. **Ehmann**. Yes, sir.

Senator **DeConcini**. But now obviously a tremendous increase from 1970?

Mr. **Ehmann**. Exactly.

Senator **DeConcini**. What do you attribute to the slight down, just a marginal change from year to year?

Mr. **Ehmann**. Marginal change. We are also talking perhaps of those years when we have to give credit to the fact that there has been, in terms of value, a value increase. The inflationary rate, of course, is affecting us. The incidence, I believe, relates to the statistical base from which we get these facts.

Between 1970 and 1978, I believe we reached a higher degree of statistical reporting for these types of crimes, and probably we are getting more into areas of these kinds of crimes that are being reported.

What also seems to happen is that certain types of property crimes, particularly along the borders, still go unreported. And I think that that's at least, in part, responsible for this.

The addict figures, addict population figures are, I believe, also significant. What we are seeing here, this chart is a relative chart for percent of population of the addict population. Nationally, as I understand it, the percentage of people who are addicts in terms of those who are drawing these statistics, are about twenty-five hundreth of 1 percent. These 1975 figures show us that Arizona is close to being 1 percent, which is 4 times the national average. In fact, what I understand now, Arizona has someplace in the area of about 35,000 addicts. That, relating to our total population base, would mean that we are getting up into the area of 1½ to 1.6 percent of our population; a very disproportionate growth of addict population.

It shows us to be well in advance of, for instance, California. Our fingers are typically pointed at California as being the bad guy in the Southwestern States area and the west coast, and yet our population ratio is actually quite a bit higher.

Pima and Maricopa Counties are, in the per capita basis, in uniform crime reports, among the top five in the whole country. Again, relating property crimes and addicts to the other statistics we have, it would seem that if we are interdicting certain types of drugs, that what is happening is with the growth of population, and with the growth of business in our State, also the growth of certain of these crimes, including the addiction in population, arrival into the Southwest, I think we can extrapolate these figures and apply them to the other Southwest States. Generally, what we have been talking about is that there has been a change in profile. According to DEA and EPIC statistics, which we used primarily for these charts as well as those that we have gathered in our own agencies in the drug control district, an annual figure of about $80 million is arrived. And that would include the figures that are utilized for the crimes against property; these property crimes which we have shown have some statistical base and the importations themselves. Some of these figures I think show us, for instance in marihuana and in heroin, that there actually still has been an increase between 1975 and 1978. There has been a dramatic increase, however, in cocaine, if these figures can be trusted.

One of the difficulties, of course, in arriving at these figures is that it presumes that we know what the problem is. Part of my concern about all of this is I am not totally convinced that we know what the problem is. We have been approaching a lot of this from a very traditional basis. We use numbers of illegal flights that are detected; plane crashes with certain amounts of types of narcotics; we use informants; we use people that are arrested; we use surveys, and it's a rather mixed base for trying to determine what the top end of that problem is.

Automatically it would seem that if we actually knew what the problem was, we would be in a better position to be able to interdict that problem. And yet, all we are able to do is show that we think we are interdicting someplace in the area of 5 to 10 percent of this. This is what it represents. We are talking in metric tons here. There are 2,200 pounds, so 16,000 metric tons is a considerable amount of money.

SOFT DRUGS AND THEIR IMPORTATION ROUTES

Our soft drug actually is of a considerable problem to us. It received less attention, and perhaps rightly so. But the fact is it's still there. Obviously, the drug which yields the most amount are two white drugs and can be smuggled in smaller quantities for higher yield and are going to be receiving the greater impact from the more sophisticated criminal. As we have had testimony earlier, the criminals have increased their sophistication, and what they have done is they have chosen to take the higher yield sources and bring those in an even greater quantity.

Senator DECONCINI. Why is this one up so much over this one? They are both big money drugs. Is it really the social, prestigious drug, or is there some other reason. We hear that or you read about it that there is an "in drug," but is that really all there is to it?

Mr. EHMANN. Again, we have to rely on some of the statistics that are given to us and the collection of those. I have always questioned that there is a particular type of people that responds to a survey like that anyway, so it perhaps may change our figures.

Yes, it seems that cocaine is a popular social drug. There seems to be not enough convincing evidence that it is that deleterious to someone's health as compared to heroin. Heroin is a very unpopular drug supposedly in the upper echelons of the economic and social statures. Cocaine a small drug. It supposedly yields little in terms of after-effects. It is popular for that reason.

These charts, of course, are in support of what the charts were in the GAO report and the greater report that was referred to earlier. But they are major importation charts. And these are some of the major routes, particularly from the Southwest, that we have had to concern ourselves with over the years. It shows us to be particularly faced now with the great influx into the east coast. Right now, all of the energy and all of the efforts seem to be going into the east coast. It seems, as far as our statistical bases are able to show us, to be reduced from the Southwest. However, our addict population increases; our property crimes increase, and the total dollar figure for the evidence of those crimes increases.

What it does not seem to take into account in terms of statistical reporting is the fact that there are seasonal changes, and that with the efforts of law enforcement in certain areas, that there are certain natural cycles that occur in the importation of these drugs and narcotics from the east coast to the Southwest. If the pressure is on in one area, they are going to change. The sophistication is the thing that seems to impact this even greater.

DEA tells us that what is happening is that they are importing these smaller quantity drugs, the heroin, and the cocaine, in spray bottles, and bicycles; not something you can do with marihuana, and yet we are finding DC-7's up in the Midwest with 18,000 pounds of marihuana being flown in. So probably a good deal of what may be happening with some of those larger bulk drugs is that they may be distributed from other points than we have traditionally looked at.

Senator DECONCINI. Do you have any information coming from Hawaii about what routes are being taken?

Mr. EHMANN. We have been told by the New York Police Department, that what is happening in the streets of New York is the drugs are coming from a number of points. They come from the Near and the Far East, all around back into and through Hawaii, sometimes through Alaska, through the west coast of Los Angeles, and then out into the east coast. This route occurs rather than seeing drugs come more directly into the east coast, and even from South America into the east coast.

It seems to me that this indicates to us not particularly that the quantity is necessarily any less, but that the drug traffickers are choosing to reroute the narcotics for their own benefit because of pressures and tension. The economics of flying a load or shipping a load a few extra thousand miles is very small compared to the profits.

Senator DECONCINI. Is there any evidence or indication of increase in Central American countries other than Colombia?

Mr. EHMANN. Increase in the area of growth?

Senator DECONCINI. Growth; growth and processing, and exporting?

Mr. EHMANN. There is some increase in the Central American countries. A difficult area for statistical gathering, it was not as readily available as some of the countries with more sophisticated methods for gathering that kind of information; yes, sir. Now with all of this, particularly it would lead me up to the last chart that I have. By looking at our population shift, and by looking at our route methods, it brings me to one of my more favorite topics and that is organized crime.

DRUG-RELATED ORGANIZED CRIME

We have had the opportunity to discuss this once before. With our major route and our population change, and all of the things that are happening, we still yet have to identify in the Southwest, in Arizona, New Mexico, Utah, parts of southern California, the fact that there are organized crime efforts in the traditional sense.

If we can extrapolate the fact that there is nontraditional organized crime which generally parallels the traditional organized crime family, it is disconcerting to me not to be able to identify what it is that's going on down here. We have got roughly two dozen families throughout all of the United States who are actively involved in the importation of narcotics and the distribution of narcotics, and yet it is an amorphic body which operates in the Southwest. Reports from Phoenix Police Department, Department of Public Safety, indicate that there may be as many as 300 to 400 of the traditional organized crime family types in the State of Arizona. They are from all of these different families, and there is no umbrella. There is nothing we can attach to that identity to allow us to put some type of label. It's not that I am disturbed by not having a label for the label sake, but I am disturbed by the fact that we haven't identified what that amorphic mass is doing. It's not operating in a willy-nilly fashion. Again, what they are doing, in light of the fact that there is such a great amount of property and white-collar crime increases is a little baffling for us.

So the point of this, as far as I am concerned, by relating some of these facts to what happens in the Southwest, I believe we are again in the position of not being able to clearly identify what is happening to us. Part of that is because by Federal law there are things that the Federal agencies aren't able to give us, because of intelligence guidelines that have been imposed upon them. Because of budgetary restraints there are things that are not available to the primary agencies: Two of the men with whom I am testifying on this panel have these problems. Whatever anybody says, their resources aren't adequate. They don't have the kind of things they need. Our agencies being in a secondary law enforcement position, has some luxury because what we are able do do is offer to the primary agencies certain resources. But they are not available generally to everyone. So what concerns me is, first of all, the ability to identify what it is that's happening to us, and the ability to truly analyze what it is that is being done by organized crime. They seem to be here in great numbers, both traditionally and nontraditionally. There are 25 or 28 major organized crime families that have their roots in Mexico.

Senator DECONCINI. When you talk about "here," you mean in Arizona?

Mr. EHMANN. In Arizona itself.

Senator DECONCINI. Are they all over, or are they in Tucson, Phoenix, and the metropolitan areas primarily?

Mr. EHMANN. Well, they operate all over, but their general concern is going to be in the major population bases.

Senator DECONCINI. Do you live there?

Mr. EHMANN. Sometimes, yes. They are bright enough to be able to utilize subcontracted help. Some of the traditional organized crime families are doing that more and more. But for a long time, we were able to identify them strictly because of some type of ethnic relationship. And that is not true anymore, and it's particularly not true with the more flexible, more sophisticated crime groups that we have been dealing with, particularly in the last 20 or 30 years. Unfortunately, law enforcement, because of budgetary restrictions or budgetary methods are in the position that they have to deal with the problem that existed in 1970 or 1972.

Senator DeConcini. And that's not very up to date.

Mr. Ehmann. And that's not very up to date.

In 1980, organized crime in the very generic sense, in the nonspecific sense that we are dealing with in this chart, has been able to update itself considerably. Much of the emphasis from conspiracy, for instance, is very different from one sector to another; even from Tucson to Phoenix it's very different because of the fact they have adapted themselves to the local area. They are very well organized, albeit not particularly directly related to some of the larger families. So again, this is the kind of thing that hampers us.

Senator DeConcini. Very good. Thank you. Maybe you had better leave that up over there. We can look at it after.

Do you have anything else, Mr. Ehmann?

Mr. Ehmann. No, sir, I don't. Thank you.

Senator DeConcini. Mr. Carrillo?

OPENING STATEMENT OF MR. CARRILLO

Mr. Carrillo. Senator, I would like to thank you also for giving me the opportunity to speak before this committee. Mr. Ehmann has done such a fantastic job in discussing both the narcotics problem that we see, plus the organized crime problem. But I would like to just clarify a couple of points. I think basically our statistics show exactly the same thing that his statistics show in regard to the heroin popoulation.

One of the things we have found over the last 3 or 4 years is that the quality of Mexican heroin, and the quantity of Mexican heroin has sharply decreased throughout Arizona. Just recently we have had one or more shipments of the white Asian heroin coming into the State, and consequently we see this to be a problem in the future for us.

Second, another thing that he brought out that was something that I would like to comment on, and that is the emphasis that is placed on the marihuana marke.. If we were to look at the marihuana trade in the United States today, and the billions of dollars that it represents, it certainly represents an economic loss to all of us in tax dollars that aren't being collected. So I think that that's something that we do need to do, place some more emphasis on, the marihuana business itself.

During the last 3 or 4 months, we have noticed a definite increase particularly in the Tucson area of large groups that were organized in large marihuana rings during the early 1970's becoming active again, and a lot of the same people getting involved in the narcotics trade again. So basically, we feel that perhaps we need to look at marihuana not as a soft drug, but as a drug that is causing us a lot of economic impact on this country, and particularly in the Eastern United States. With all of our intelligence right now, it appears to us that in the near future we are going to see a lot more marihuana coming into the State of Arizona. The amount that is available on the street has just considerably increased in the last 3 or 4 months. Mr. Ehmann is totally right when he says that none of us has adequate resources to take care of the narcotics problem. But I think over the past few years, that more efforts have been made at a combined effort in fighting the drug problem.

I know for myself, in the southern portion of the State, we are involved in numerous task forces with the Tucson Police Department, also with the DEA, and Customs at the airport. We have officers assigned to the DEA force there that work in conjunction with them on conspiracy cases. So we have seen a definite trend toward a lot of improvement in the cooperation among different agencies.

We also have another situtation where we are responsible for servicing a lot of small agencies. So consequently, a lot of our work is done on the criteria that is set forth for us by the smaller agencies. Where in Tucson we might look at a 1-pound cocaine dealer as being the type of individual that we should target, in the smaller county it might be a paper dealer or a baggie dealer that we have to target and work on. So consequently, we have a lot of manpower that is being placed on the street level emphasis in order to service the smaller communities.

Basically—I will keep my testimony short in the other two areas—one of them is the diversion of the legal drugs. Over the past 3 years we have been keeping fairly good statistics on the amount of forged prescriptions, altered prescriptions, burglaries of legal drugs and the availability of legal drugs for illegal purposes. And just for the first quarter of this year, we have noticed about an 80-percent increase in the number of legal drugs that are being diverted through the use of either the altered prescription, or the counterfeit prescription that is stolen from the doctor's office. One of the things that we are finding in the diversion of these legal drugs is that many of these individuals find it quite lucrative to go to a doctor, convince them that they have a particular illness, and get the particular drug they want. And it's not unusual when arresting these people to find that they have a list of doctors that are easy, in their words, they will term to be easy to obtain prescriptions from. When you talk about tablets that are getting between $5 and $6 on the street when you can get a prescription, or 30 tablets for less than $6, it becomes a lucrative market.

At the present, we are looking into the possibility, both here in Phoenix and also in Tuscon, of becoming involved in a diversion unit with DEA and the local agencies. So hopefully there will be more emphasis put on this type of diversion in the very near future.

Lastly, the eradication program in Mexico I feel just the quality and the quantity of heroin itself shows us that we obviously have made some inroads into the amount of Mexican brown that's coming into this country. So perhaps maybe this type of a program in the Columbia area would certainly help us in cocaine and marihuana.

MARIHUANA PROSECUTION

Senator DeConcini. Mr. Carrillo, you make some reference there to taking another look at marihuana?

Mr. Carrillo. Yes, sir.

Senator DeConcini. Do you mean on the penalties, or putting it on a greater emphasis for enforcement of small amounts, or what? Or just the severity of the drug itself?

Mr. **Carrillo.** I would have to say that what I am talking about is the emphasis on prosecution of marihuana cases, particularly when you have a large conspiracy.

Senator **DeConcini.** Seizures?

Mr. **Carrillo.** In the Federal courts.

Senator **DeConcini.** Because I don't know what the practice is now, do you find it to be treated generally as a misdemeanor for a small amount of marihuana today by the county attorney?

Mr. **Carrillo.** Generally. Even most of our sales are generally pled off as a——

Senator **DeConcini.** Misdemeanor?

Mr. **Carrillo** [continuing]. Misdemeanor.

Senator **DeConcini.** Do you know of any misdemeanors going to jail, just out of curiosity, any jail sentences imposed?

Mr. **Carrillo.** There have been some drawing county jail time.

Senator **DeConcini.** Has there? Jail sentences imposed?

Mr. **Carrillo.** I am more interested in perhaps placing some kind of Federal emphasis on either taxing people involved in large quantities of marihuana; something to make the market less lucrative.

Senator **DeConcini.** I see.

Mr. **Carrillo.** Right now it's very lucrative for somebody to be involved in the marihuana trade; very little chance that they are going to spend any prison time.

Senator **DeConcini.** Do you concur with the GAO analysis of the low bonds that are placed on big drug dealers, consequently having little or no deterrent effect?

Mr. **Carrillo.** That's correct.

Senator **DeConcini.** To keep them off of the streets, or not to keep them dealing while they are on bond?

Mr. **Carrillo.** Yes, sir. Many times it's very discouraging when you are waiting for trail on one particular group and to be working on the same group again on a second case.

Senator **DeConcini.** Thank you.

Mr. Bequette.

OPENING STATEMENT OF MR. BEQUETTE

Mr. **Bequette.** Senator, thank you for inviting me today. I have submitted a copy of my remarks to your aide.

Senator **DeConcini.** It will appear in the record.

Mr. **Bequette.** I am going to more or less wander and make comments on some things that have been said previously. First of all, the Phoenix Police Department is not new to narcotics enforcement. We have had a specialized narcotics unit for about 25 years, and right now I have 17 investigators and 4 supervisors specifically designated for covert investigation. We have not had an increase in personnel since 1970, although other areas of the department have grown and the department's enforcement action in narcotics has grown with units like the organized crime bureau or selective assignment units and other special units within the police department.

Our department, according to the Maricopa County attorney's office, accounts for about 80 percent of the narcotics charges filed in our county. Last year my figures show that we filed 3,763 charges, and we arrested 1,843 people on various narcotic violations. Nevertheless, narcotics trafficking flourishes in Phoenix.

We work all levels of narcotics enforcement; everything from minor possession to major trafficking cases. Being a municipal agency, it's necessary that we do that. By unofficial agreement with some of the other major agencies, the department of public safety and also DEA we defer certain specialized investigations to them. Compliance cases, for example, or script diversion cases, DPS has a specialized unit which is outstanding, and we defer most of these investigations to them. I have one officer assigned to coordinate with them.

DPS and DEA run the airport detail. We don't have the manpower to concentrate there, although we do work certain specific cases. Clandestine laboratories are worked either in conjunction with DEA, or we defer the case entirely to them, because of their Precursor program. Other than that, we work almost all areas.

Whenever we go outside of our own city limits—we do work Metropolitan Phoenix as a matter or routine—we notify the local agencies. With the cases that are major, for example going interstate or international, then we attempt to coordinate with DEA. If it goes outside the metropolitan area, we try to coordinate with DPS.

We do not belong to the TASC force—that's noted in the GAO report—because we have a strong demand for local service and we simply cannot afford the manpower to be working permanently on their TASC force assignment. Mr. Arpaio and I have a very close working relationship. Almost any major case is worked jointly with DEA.

TRAFFICKING AND SEIZURE OF NARCOTICS

With our close proximity to the border, the local colleges and universities, and the number of foreign students and visitors to this area, narcotics trafficking is quite prevalent in this area. So, while Phoenix has not been the scene of huge, major seizures such as we have seen on the east coast, almost any drug you can list is available in this area. Recently DEA seized some heroin here which was from the Middle East; 8 pounds, I believe. We have been buying some small quantities of Asian heroin. This is the first time in the last 2 years that we have seen these types of substances show up in the Phoenix area.

One of our major problems right now is the tremendous rise in cocaine. As Mr. Ehmann pointed out, cocaine has risen even more dramatically than heroin or marihuana. Not a day of the week goes by that one of my undercover officers cannot locate cocaine in ounce quantities, which is $2,500 to $3,000 worth of drugs, somewhere in the city of Phoenix. But we have not been able to locate the large stash locally. We have made a number of deals for 1, 2, 3, 4, 5 ounces, but nothing much in quantity over that. Yet, it has to be present.

We note, pertaining to street crime, a rising number of drugstore armed robberies. Dilaudid, Preludin, and morphine are demanded from the druggist; and these are following some of the major seizures of heroin. This last year we did three major seizures in cooperation with DEA where we obtained more than a pound of heroin each time, and more or less dried up one source temporarily. Right after that, the drugstore armed robberies zoomed in our city. Over the past 2 years since I have been bureau commander, we have continued to work all levels. I have made it a specific policy that when we identify an organization or individual who is trafficking large amounts of narcotics, and we have some type of fresh information to work on, for us to target him, we have used several electronic surveillance techniques on these cases. These are very productive, very effective efforts. It's a valuable tool. But it is so costly that it's almost prohibitive.

Several such cases that we have are stacked up. The county attorney's office is almost 3 years behind in attempting to prosecute those cases. The case reports run thousands of pages in length and literally require a pert chart or what we call a link analysis. I have been given the word from our command staff that we are simply going to have to minimize these techniques in the future because they are so manpower intensive and take so long to do.

In this last year we have seized the largest amount of heroin that the Phoenix Police Department has ever been involved in, over 5½ pounds, mostly Mexican brown.

While the purity is down and the quality is down, the price is way up. I have attached the price list of all the current drugs, with the testimony that I submitted. On one occasion this last year, we seized 13 kilos of hashish which was wrapped in the original container, stamped Lebanon, 1979. We also seized a large amount of foreign marihuana, not from Mexico, but from Colombia or some other source.

A lot of people believe that drug trafficking is some fixed, organized crime unit. I have noted the organized crime families in the chart that Gene has put up there, but I believe that one of the things we are faced with is a tremendous number of people who are new entrepreneurs trying to get into the business. I have some specific examples. Last year we entered negotiations with two high executives of the Eisenhower Medical Center who were going to fly to South America, pick up a large quantity of cocaine and marihuana, and fly back here to deliver to my undercover officers, posing as the buyers. Now, this was a get-rich-quick scheme that they had.

Senator DECONCINI. Not part of any organized crime?

Mr. BEQUETTE. No, sir, they were on their own.

As a sidelight, we also discovered they have embezzled $140,000 from the hospital and are currently under investigation for that. That was to finance their trip. They, while we were negotiating with them, introduced us to a pilot for TACA International Airlines who flies to the Central American countries, and he delivered 9 ounces of cocaine, which was 85 percent pure, to our undercover officers and DEA agents. When he was arrested, he told us that he was bringing in a pound per week on the flight that he made to South America.

None of these people had criminal records. In yet another situation, we arrested an individual on the west side of Phoenix who was dealing approximately 40 ounces of heroin every 10 days to 14 days. He was ordering it in 20-ounce quantities from Mexico. He was paying $40,000 for the 20 ounces, and was coming up with about 10- or 11-percent purity. He was cutting it in half or two-thirds again, and then turning around and selling it for the same price. He was making roughly $12,000 net profit every 10 days to 14 days. The man had absolutely no criminal record. Everything in his house was paid for in cash. He had two brandnew automobiles, these types of things.

These are the people we are running across that seem to be dealing in the largest quantities and the highest purity. Not the oldtimers that were arrested 5, 10, 15 years ago who have a tremendous reputation in the drug community.

Our open lifestyle and the population is conducive to this type of trafficking. One of the things that we are facing is the risk versus the gain not being equal.

We have a new era of prohibition. We are financing the next generation's legitimate people with this kind of trafficking. It's the same as liquor prohibition back in the twenties. Unless a way is found to attack the economics. For example, in Arizona, and you have already heard this, the legislature has passed the seizure law this year. It's going to give us some of the same tools that other States and the Federal Government have as far as the proceeds from narcotics trafficking. But we are fighting a losing battle. My resources are dwindling, and I think every other agency that's going to be represented here is facing the same battle, and yet the profits are continuing to go up.

Senator DeConcini. Are you a member of NINA?

Mr. Bequette. We are not formally a member of NINA. I predict that we will be within the very near future.

Senator DeConcini. You take all the drug cases to the county attorneys that are assigned physically there?

Mr. Bequette. That is correct. All of our cases that have been filed for what, Gene, 18 months, have been filed with the county attorneys assigned to the drug control district. All of the intelligence from our arrests and our cases do go into NINA at the present time.

Senator DeConcini. And you have been doing that for some time?

Mr. Bequette. We have.

Senator DeConcini. Your testimony leads me to believe that you are either experiencing or believe you are experiencing budget cuts or some reduction in your force. Is that a fair statement?

Mr. Bequette. We are facing very critical, tight times. Not only our city, but probably a number of the other agencies. As you know, there have been hearings out at the legislature, or if you haven't been keeping up, we have problems with inflationary increases. There is a spending limit on all of the cities and towns. Even though the city may have money, the demands for pay raises and a variety of other things are just about keeping us even. There isn't room in the budget for the increases. It's not that the tax money is not there in many cases.

Senator DeConcini. Yes. Thank you, Mr. Bequette.

COOPERATION BETWEEN LAW ENFORCEMENT AGENCIES BY MR. WOLF

Mr. WOLF. I would have to agree with the members on this panel as far as the availability of drugs is concerned. But something that concerns me is the cooperation between law enforcement agencies.

Senator DECONCINI. Sergeant Wolf, would you use the microphone there, please? Thank you.

Mr. WOLF. The past lack of cooperation between law enforcement agencies charged with the enforcement of drug use and drug laws, I am sure is well known to the members of this panel. Although a lot of lip service is paid to cooperation between various agencies, much improvement in this area is needed.

Lack of such cooperation only furthers the greedy interests of drug dealers and informants. We have experienced the frustration of working a particular target, and after months of working and expenses, find out that another agency is already working that target and has a prosecutable case against that individual. A case in mind just occurred 1 week ago. We were able to negotiate a deal; take off the person with a quantity of cocaine, and found out the next day that DEA was working on this target and we had inadvertently stepped into their investigation. Things like that are very, very frustrating to the street agents.

There is another case of informers. The informer will shop around agencies and offer his services to the highest bidder. Although there is a certain amount of interaction between street-level agents of the various agencies, based on mutual respect and trust, unfortunately as we move into our higher level of government, this same degree of interaction does not prevail. This, I believe, is because every agency is still bound by the old bugaboo of statistics and the compulsion to justify their existence.

The utopian approach, of course, would be to integrate all drug enforcement agencies into one superagency, which of course, under our political system, is an impossibility. The formation of the Arizona Drug Control District was a step in the right direction. And their present guidelines and philosophies of being a clearing house for narcotics and organized crime intelligence that will be of mutual benefit to all participating agencies is a step in the right direction.

From a street supervisor's point of view, the Arizona Drug Control District has been the one agency which we can depend on the most for assistance, be it technical, financial and so on.

The control of the availability of any drug can be accomplished with a two-pronged attack, and it has proven successful in the Tucson area. The first being aimed at the street dealer who, to a large extent, is also your local burglar, armed robber, and con artist. And second, the arrest of major violators through the use of conspiracy laws, both State and Federal.

Of course of primary importance is the fact that once an apprehension is made, that the application of justice is swift and certain. This unfortunately has not been the case in our State courts. Delays of as much as 2 years have occurred, and delays of as much as 1 year are common. I can think of two cases in point. A 2-year delay on a 3-pound cocaine dealer who still has not gone to trial; a Mexican national. The other one, a multipound dealer who was still awaiting trial after 1 year. In the meantime, he is out on the street dealing and making more money to further his cause.

As long as the opportunity of making a large profit at virtually no risk to the participant exists, the control of and the flow of drugs will continue to be minimal at best.

I would like to offer a viable alternative, which is a concept formulated by Detective Charlie Schwarz, Detective Roy LeBlanc, and Agent Frank Marcell, of ADC. And with your indulgence, I would like for Detective Schwarz to present that concept to you.

STATEMENTS OF:
DETECTIVE CHARLIE SCHWARZ
DETECTIVE ROY LeBLANC
AGENT FRANK MARCELL, ADC

CONCEPTS OF DETECTIVES SCHWARZ, LE BLANC, AND AGENT MARCELL TO SOLVE LAW ENFORCEMENT AGENCIES' PROBLEMS OF COMBATING DRUG ABUSE

Senator DECONCINI. Detective, we are very pleased to have you here.

Mr. SCHWARZ. Thank you. I would like to present a chart. This is not the most professional job, gentlemen, but we had to do it at the last minute.

I would like to regress 1 minute and just say that I have my 20 years in with the Tucson Police Department, and the last 13 would be in narcotics enforcement. So I take some pride in feeling that I know what I am talking about when it comes to the trafficking of street drugs and problems that narcotics officers on the street level encounter.

If three detectives of patrolman grade can sit down over a cup of coffee and find out what the major problem is with the local law enforcement agencies in combating drug abuse, I think it pretty obvious that we can come up with the answers to it. And the problem being, like I say, No. 1, is a lack of cooperation. Sure, we cooperate. DEA cooperates with TPD, and TPD cooperates with DPS. We cooperate, but we don't cooperate 100 percent. Like the sergeant said, this situation that happened last week was totally uncalled for. Where one agency has an ounce deal, they spend $2,500, and walked away from it, conducting a major investigation, and another local agency comes in and busts that man with 4 ounces. There is no excuse for that; none whatsoever. It's complete lack of communication and cooperation.

If you look at this chart in front of you, this is what we come up with. What we are trying to stop with this type of investigation is duplication of effort.

Senator DECONCINI. That's all right.

Mr. SCHWARZ. What you have in front of you is a concept, like Sergeant Wolf said, which was designed by street officers. And another thing that we come up with is one single, major law enforcement agency most of the time cannot afford to zero in on a major trafficker. The Tucson Police Department cannot afford to zero in because of lack of money, manpower, and equipment. The Phoenix Police Department could probably say the same thing; the

Scottsdale Police Department can probably say the same thing. We need cooperation with everything. And this is what this will stop.

As you see, the Commission—is formed by staff personnel. I don't mean it has to be the chiefs of police. It doesn't have to be the director. It can be captains, majors, or lieutenants. The State agencies from the Tucson Police Department, Arizona Drug Control, Department of Public Safety, Pima County Sheriff's Department, and the State Attorney General's Office on the Federal level of drug administration agencies, and the U.S. Customs. They have staff personnel who combine and they make up a commission. All right. Those commissioners from their narcotic agency will get a target; Joe Doaks, John Green, whoever it might be.

The Commission will appoint a commander, a unit commander, and that commander will come from one of these agencies, whether it be the Tucson Police Department, DEA officer, DPS. The unit commander, who works solely under the Commission answers to nobody but that Commission. That unit commander, will select the personnel to work for him. He will not accept personnel that the agencies give him. He can take the top man he wants. He is not going to get the goofoffs; he is not going to get the guy who is going to retire in 6 months and they have nothing to do with him so they send him over to this task. He gets the top quality personnel that he wants.

Another things is that this is a short-term investigation. This is not going to take 2 years. This is 30 to 60 days.

The unit commander will select a target from all the other agencies. He will select one target and will zero in on that target. What you are doing is you are going at the snake's head. You are not going at the snake's tail. If you want to play the statistic game, you can chop at that snake's tail all you want and you can arrest 1,000 people and seize 1 million drugs, and the traffickers are still in business. With this type of investigation you go at the snake's head. We did it and we proved it. In 1975 and 1976 the Tucson Police Department, along at the very end of the investigation, along with the aid of the DEA, took off three major Mexican Mafia family organization drug traffickers. At that time heroin was abundant on the streets of Tucson. It was running out at 9 percent pure. All of those people went to jail. We prosecuted them federally. We arrested them. They were indicted; they went to trial; they were found guilty, and they were put in jail. No year delay, no 6 months delay. They went to jail and they got big time under this situation. At that time, the quality of heroin dropped.

The question was asked why is cocaine more prevalent in Tucson or in the State of Arizona than heroin. Because the quality of the heroin is garbage. The street heroin is wrung out 1½ to 2 percent pure. The junkies in the streets of Tucson are resorting to shooting cocaine. I don't know what you have in the rest of the State, but in Tucson we have two kinds of cocaine users. We call them tooters nd shooters. So-called middle class will toot or snort, and the unkies, they still shoot. They still like the feel of the needle in the rm.

The $80-a-day-habit junkie, when using heroin, is using 150 to 60. I had a prostitute tell me she used $270 worth of cocaine on a daily basis. She tricked, she burglarized, she conned, she did everything she could.

A nonaddicting drug, cocaine. Why? Because it makes them feel so darn good.

Now we are having intelligence saying that we are in for trouble in the Tucson area because the quality of heroin is going right back where it was before. Some white heroin is coming in and we are in for trouble. With that and cocaine, I don't know what we are going to do.

But this type of an investigation, if we can get the egos eliminated, and the "I want to take credit for it," and "What am I going to do; I can't prove my statistics," we have got to stop that. We shouldn't have to care what the statistics say, what the seizures say, or who takes credit for putting the bad guy in jail. Put the guy in jail and we will worry about it later who takes credit for it.

Senator DECONCINI. Are you suggesting that this could be done without legislation?

Mr. SCHWARZ. That's right.

Senator DECONCINI. Just by cooperative effort?

Mr. SCHWARZ. It needs somebody to establish it and run it——

Senator DECONCINI. The heads of each agency willing to form a commission?

Mr. SCHWARZ. Total commitment. You have got to have total commitment from these agencies. If you don't have it, you are dead in the water. You are going to drown.

Senator DECONCINI. This is a very good idea. Do you know of any success stories other than the ones you told about the Tucson Police Department?

Mr. SCHWARZ. No. Like I say, that was on a small scale.

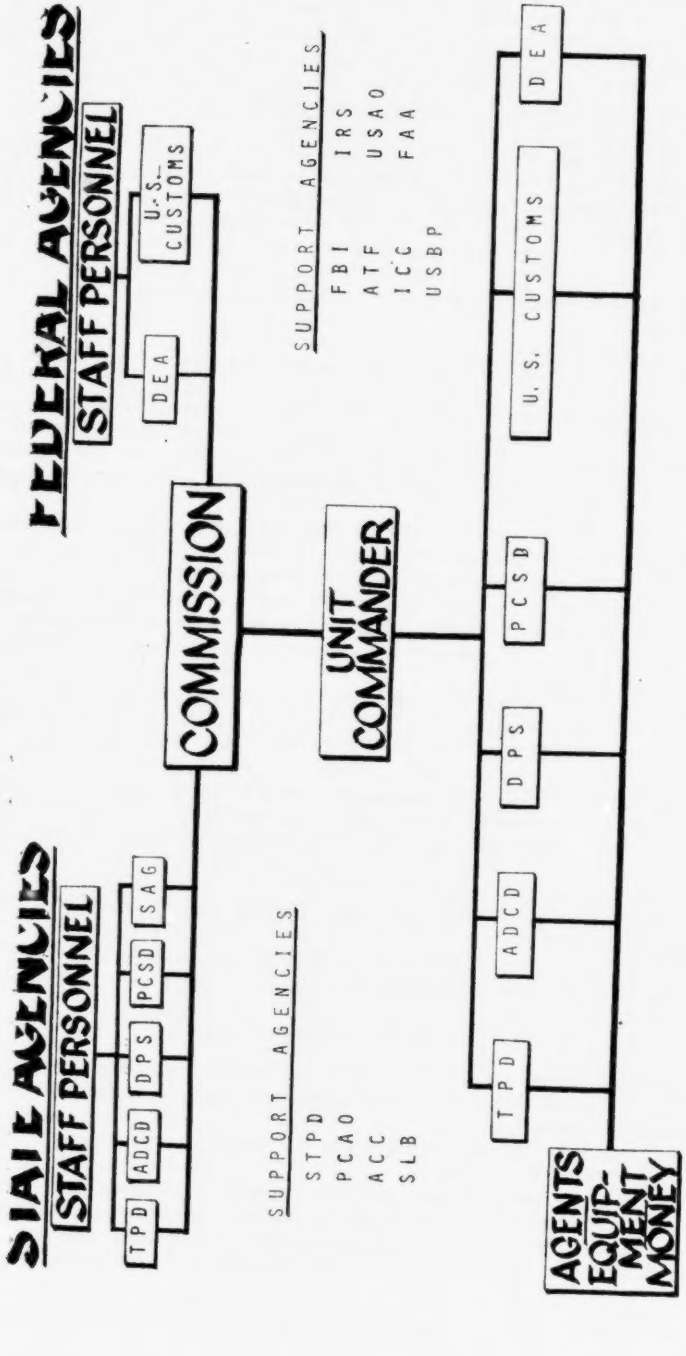
Senator DECONCINI. You are talking about here taking on anything?

STRUCTURE OF COOPERATIVE INVESTIGATIONS

Mr. SCHWARZ. What I would like to close with is this, what you have in front of you is the drug situation. This can be fencing, gambling, prostitution——

Senator DECONCINI. Any organization.

[The information follows:]


STATE AGENCIES
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DEA
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EQUIPMENT
MONEY

Mr. SCHWARZ. This situation can be applied. You use undercover agents; you use surveillance; you use wiretap; you use pen registers. That's another thing I would like to see is our legislature take a look at this wiretapping law that we have in this State. There is a thing called the exhaustion phase. Before you can get a wiretap, you have to exhaust all means of investigation. You have got to try undercover, you have got to try surveillance, you have got to try this, you have got to try that. I think all we have to do is prove that this trafficker uses his telephone to deal in drugs; that's it. Prove that, then you are authorized to get a wiretap. And with the ue of wiretaps, and surveillance, and undercover officers, you don't need but about 30 or 60 days and you will do it in one way or another. You can bring the guy down and you can end that little regime that he has. Then you go on to another wire, and you go on to another target.

I think I said enough. I think I proved my point.

Senator DECONCINI. Well, let me ask you a couple of questions, if I can. It's a very good idea, and I appreciate it. And I say this with all due respect, it is a very simplistic approach to it. Like you say, a few of you got together over a cup of coffee and figured it out. But you mentioned short-term investigations; 60 days. Don't you find that a lot of your narcotic investigations take longer than that?

Mr. SCHWARZ. Well, because we don't go at it in the right approach, Senator. Because we go at it in a haphazard manner.

Senator DECONCINI. It could be greatly expedited.

Mr. SCHWARZ. With this concept, it can be, because you know what your target is. You are going to have people; you are going to have money; you are going to have equipment. It doesn't even call for any more money.

Senator DECONCINI. You obviously would have to have someone to put it together, to go to the head of Customs and DEA and these five agencies and say, "Hey, this is an idea, will you make a commitment; will you sit down and talk about them?"

Mr. SCHWARZ. Well, the lieutenant that's in charge of our unit now is in the process of doing that. But the only thing is we just hope that the other agencies don't think that we want to ramrod the situation.

Senator DECONCINI. Sure.

Mr. SCHWARZ. By starting the ball rolling, that's the only thing we ask——

Senator DECONCINI. I understand. Thank you very much.

Anybody else have a comment? I have a couple of questions, if not.

AVAILABILITY OF DRUGS IN PHOENIX

Has the availability of drugs in your jurisdiction, Mr. Bequette, increased, and is it easier to get it even though it costs more and the purity is lower?

Mr. BEQUETTE. The avilability does not seem to be——

[A brief recess was taken.]

Mr. BEQUETTE. OK, Senator. The availability of drugs, all different types, seems to be quite readily available in Phoenix. In other words, there are two or three particular drugs that are on the increase in our area that we are extremely concerned about.

Heroin, as the detective from Tucson indicated, is garbage on the street. We are finding it as low as a quarter of a percent up to about 3 percent as far as street level purity is concerned. The Mideast or other sources of heroin, we have seen some quantities come in and it's fairly recent. We are concerned about that, but most of what we see is Mexican Brown. Cocaine, tremendous quantity on the street. PCP is showing up in increasing quantities. We believe most of that is being manufactured on the coast and brought in here in liquid form, and then converted. And LSD is beginning to make a reappearance in our community. We are finding larger quantities.

Senator DECONCINI. Would you say the availability is greater that it was a year or two ago?

Mr. BEQUETTE. At least as high, and certainly increased in some phases, some forms of it; yes, sir.

ASSESSMENT OF COOPERATION

Senator DECONCINI. There has been a lot of discussion about cooperation, and Sergeant Wolf, you mentioned it. Overall, what would you say the situation is in the State of Arizona among State and local agencies? You have been in business a long time, I know. Would you care to comment? Do you think it has improved substantially over the last 2 years or some period of time?

Mr. WOLF. Well, I see an improvement. I think we are finally starting to realize we can't do it by ourselves, any individual agency. We have to coooperate. As I said, a lot of improvement is still needed. But it has improved over the past 4 or 5 years, definitely.

Senator DECONCINI. Mr. Carillo, would you agree with that?

Mr. CARRILLO. Yes. I agree that it's improved for a number of years here. The last 2 years particularly that I have been involved in narcotics again we have seen a lot more cooperation among the local agencies and with ourselves. One of the things that was mentioned was, of course, if we could get rid of the numbers. But unfortunately, our legislature, and city councils, and county government look at statistics when they are developing your budget. So it's almost an impossibility to do away with it.

Senator DECONCINI. Do you make any effort to educate them, to bring the city council down to see your operation and at least show them some of the sophistication there is in making a conspiracy case, rather than just getting a quick bust?

Mr. CARRILLO. We have spent some time in trying to show some of the various legislators some of the programs that we are involved in and some of the major conspiracy cases that we do work on, and so forth. However, right now we are in tight times. This year our legislature chose to give us nothing as an increase in the narcotics enforcement area. And over the past 12 months, my own unit in Tucson has lost a sergeant and four agents, and we are not getting any replacements for them. So it doesn't appear that we are getting anywhere.

Senator DECONCINI. Mr. Wolf, you bring up that there is a redundance in cooperation. What is your comment regarding the cooperation of say your unit that you are in or the drug enforcement unit and Federal agencies? Has that improved in the last month, I mean in the last 12 months, or in the last couple of years; and what could be done to improve it more?

Mr. **Wolf**. We have a certain amount of cooperation between drug enforcement and our agency. And as I said, this is on the street agent level. I really don't think that there has been any effort in the upper hierarchy, so to speak, cooperating with each other. On the streets, if you know an agent was DEA, and we all do, and we have all worked together, we have some interaction. But really, there is none from the top.

Senator **DeConcini**. Would you say there is a lack of policy from the top of the Federal level?

Mr. **Wolf**. I think there is; yes, sir.

Senator **DeConcini**. The cooperation then is more on a personal level. It happens to come by way of individuals being able to develop it rather than seeing it come down from above?

Mr. **Wolf**. That's correct, Senator.

Senator **DeConcini**. Would you care to comment?

Mr. **Carrillo**. I think probably Warner's remarks are quite accurate.

Mr. **Bequette**. Since Mr. Arpaio has been assigned to Phoenix, he and I have specifically made it a point to communicate on a regular basis. Cooperation a couple or 3 years ago was not that good. We were competing agencies rather than cooperating agencies.

Senator **DeConcini**. Do you find less of that today?

Mr. **Bequette**. I think we have found less of that. There is still some conflict in policy and there is some conflict in goals and effort.

Someone commented earlier on a higher Federal priority on marihuana. Well, we are not going to see 8 tons of marihuana brought in on a boat down the Salt River. What we do see is 500 pounds flown in on a Piper Cub from Mexico. We would like to see DEA take an interest in that.

Senator **DeConcini**. Do you have any comments?

Mr. **Ehmann**. Yes, two things. One is that while our level of cooperation has increased, I think unfortunately, at least in Arizona and perhaps in the Southwest, where we started and where we are now, as compared to what should be, are still some dramatic differences. And we need to be doing a lot more. As we have said, I think jointly the efforts have been there on an individual basis. That relates to what I think one of your questions earlier was as to how the Federal agencies or how the Federal policymaking could be different to assist us. I think it's been unfortunately that for so many years, people, including all of us law enforcement people, have regarded the Federal system, the Federal agencies to be another entity that serves some other, not really very definable people. And we have always wondered really who they were. There is someone else that they have to serve, and there seems to be conflict when in reality it's the same populace. It's exactly the same individual. It's created that kind of conflict that has sprung up and probably been irrevocably established.

Part of the problem that we see, with the exception of many excellent notable instances on local areas, is the fact that there is little State and local input into the policy of the Federal agencies or of the Federal policymakers. Currently on a limited basis there has been a panel established from Mr. Bensinger, Mr. Heiman, and Mr. Doman to oversee certain of the multistate regional project policies that lack specific local or State input.

It's an excellent thing to have that kind of effort coordinated, but again, without having the input from the local and State entities as to what the Federal people are going to be doing, seems to disregard the need for the proper communicative articulation among those two—among those three different entities. While the State and the local people, let's say in Arizona, are making in the last couple of years some dramatic strides toward cooperation through some of our efforts, it is because the policymakers have had some ability, some influence on each other. We don't find that—if I may speak for the panel—we don't find that represented in what happens on the Federal policies. They are made independently and sometimes in spite of what is needed in some of the local areas. The thing of it is, of course, that the needs of a certain region can be quite different for instance in the Southwest, as it would be in the Southeast or in the Northeast. And those differences, those regional differences aren't always perceived or taken into account, when general, sweeping policies are made for some of the Federal agencies.

FEDERAL ASSISTANCE TO LOCALITIES

Senator **DECONCINI**. What kind of assistance do you get from the Federal agencies like DEA and Customs? Can you give me some examples? What do they do for you, besides EPIC?

Mr. **BEQUETTE**. I'd like to make a comment on that. Before I came into narcotics I believe DEA was a worldwide organization. I find that what it really is, is a group of district offices, and sometimes regions who have darn good agents. They will work closely with us, depending on our relationship with the man in charge. Mine happens to be good locally, but you know, it might not always be that way.

We can get financial support, for example. We ought to be able to get interstate or international investigations of something that originates locally. But that's more often easier said than done. I can frequently work with some Federal agencies, and not DEA specifically, get quicker response from another local agency in another State, another part of the country than I can through the Federal system.

I had occasion recently to want to do an investigation in an eastern city on some people. The Federal agency began that investigation for me, simply checking files and getting back to us with information. It was more than a 2-week turnaround, whereas our own organized crime unit got the turnaround in 24 hours from the local agency there. I don't know why that happens. I don't propose to have any solution to that, but the Federal system, it seems to me, ought to pick up where we leave off and carry it farther.

If that pilot from Louisiana is bringing stuff up from South America, that's where they ought to be following.

Senator **DECONCINI**. Would you think that first of all they have to have the confidence that the local law enforcement are good and were very credible, and then of course if they are in the area of competing with you, that certainly doesn't encourage any kind of cooperative effort?

Mr. **Bequette**. We have tried to knock off the competition in terms of local targets because that's exactly what we were doing. One of these days we were both going to show up at the same place at the same time and run head on into one another. We have to eliminate that, and that begins by working together.

I am sure this is true with any of the other agencies in this State or in others. They have a classing system, for example, on their violators; but I don't think we have ever had a class 1 violator according to those guidelines. Maybe back in 1970 when drugs were coming across the border right and left.

Senator **DeConcini**. But you have had some pretty bad operators?

Mr. **Bequette**. Sure.

We are not going to a ton that's coming across the river in a boat. They may get that in Florida, but Arizona is a little different. There are a lot of drugs coming across, but it's a different approach here.

CUSTOMS/DEA ROLE AT NINA

Senator **DeConcini**. Mr. Ehmann, you have, in the drug control district, three customs officers assigned; is that right?

Mr. **Ehmann** Yes, sir.

Senator **DeConcini**. And they are there full time?

Mr. **Ehmann**. They are assigned there full time, and their physical presence depends on their other needs. But yes, sir, that's correct.

Senator **DeConcini**. And how long has that been going on?

Mr. **Ehmann**. Several years.

Senator **DeConcini**. Has it worked well as far as coordinating all efforts with customs?

Mr. **Ehmann**. It's worked. It's worked as well as they have been permitted, through their own time, yes. Obviously, we need more. We have one DEA agent who does the work of more than one individual. But it still—we still need more. He is really not in the position, for instance, to be transmitting and warehousing, and communicating on some of the kinds of street level types of information. He does more supervisory things. He helps in the larger scale of coordination in some of the administrative areas.

We need other people to do more of that kind of coordination on the information, the actual case type of information level.

Senator **DeConcini**. NINA is being restructured a little bit I understand, at the present legislative session; is that correct?

Mr. **Ehmann**. Yes, sir.

Senator **DeConcini**. It will be primarily an intelligence organization and less investigations; is that correct?

Mr. **Ehmann**. Yes, sir.

Senator **DeConcini**. For simplification?

Mr. **Ehmann**. Yes, sir. Our emphasis has been away from investigation directly for some time. What it is going to be doing is creating—actually a committee has made the recommendation that the legislation be that we be the intelligence receptacle for criminal investigations in the State.

Senator **DeConcini**. Do you anticipate that bringing more cooperative efforts from the Federal agents that you are not going to be an investigative unit per se?

Mr. **Ehmann**. I think because of perhaps the fear of competition, or the fear of intrusion into other auspices, that that will be the case. The problem still exists that as long as a budget has to be justified by statistics, whether it be Federal, State, or local, that could be in competition with another entity. There is still going to be that kind of fear and jealousy. Fortunately, for a number of years the drug control district has been able to use other types of statistics, mostly cooperation and coordination types of statistics which has allowed us a somewhat more favorable position in terms of our legislative process. That I believe needs to be more the case with some of the other agencies, to allow them a little more slack. As you have indicated, some of these investigations do take a lot of time. When that is the case, if people could realize that those types of time constraints are on us, that we need several years to do something, it makes it a lot better when you go up legislatively and they ask you what you have done with your increase last year.

RESTRUCTURING OF NINA

Senator **DeConcini**. Mr. Carrillo, you know some of the background of the Department of Public Safety and the drug control district. Do you anticipate this restructuring enhancing the relationship between your department and the drug control district?

Mr. **Carrillo**. Yes, sir, I do. I believe Director Milstead has an appointment today to view the drug control district, and in the near future we will make a decision as to whether we shall join NINA. I also believe he will be representing the Phoenix police at the same time.

I would like to clarify one point. As far as—I think Mr. Arpaio and Director Milstead have recently entered into an agreement on some task forces which will bring about some cooperation at least with DPS and DEA in the area of the airport situation here at Phoenix Sky Harbor.

Senator **DeConcini**. Are those done on a case-by-case basis, on a geographic area such as the airport, henceforth we shall do everything together at the airport?

Mr. **Carrillo**. Basically, into a particular type of investigation. The two types that we are involved in in Tucson, for instance, is at the airport, and second, in the area of conspiracy investigations. Not a particular investigation, but in conspiracies themselves.

Senator **DeConcini**. Mr. Wolf, your experience down in Tucson has been long and most prestigious with the effort down there. Do you see over the long run any light at the end of the tunnel? As the famous American used to say about foreign policy in Vietnam, do you see any success in this effort being on the front line, all the years you have done it?

Mr. **Wolf**. I certainly hope so. But there has to be a combination of a lot of things. Not only from the enforcement point of view, but from the judicial system, too; from the county attorney, from the judges. And they will have to realize that once you take the profits out of the drug business, you may make some inroads.

Senator DECONCINI. Do you see any change in say the judiciary? Is there any better sentencing in your opinion, than there was 5 years ago when you were battling away at it?

Mr. WOLF. No, sir.

PHARMACEUTICAL BOARDS

Senator DECONCINI. I have one last question that whoever can answer this will be helpful to us. I understand that various medical and pharmaceutical boards have various responsibilities for licensing, promulgating, and administering regulations. Is the DPS responsible for enforcement of the laws pertaining to the control of these divisions?

Mr. CARRILLO. Not the various boards, sir. They have their own investigators that report to those boards. We do work in conjunction with the medical boards, the board of pharmacy, the board of nursing.

Senator DECONCINI. You are not the enforcer?

Mr. CARRILLO. We are not the enforcer.

Senator DECONCINI. Do you know or does anyone know how many retail registrations, registrants have lost their State license as a result of the investigations? Can you think of any?

Mr. BEQUETTE. I know of one.

Mr. CARRILLO. We have one in Tucson that was suspended, and we have had two others that I can remember; pharmacists.

Mr. BEQUETTE. I would like to make one comment to your first question, Senator.

Senator DECONCINI. Yes.

Mr. BEQUETTE. Well, last year the Arizona State Legislature passed the Uniform Control Substance Act. Unfortunately, when we took a look at it and we got together with the other major agencies in the State, including everyone who is represented at this table, we discovered that it was going to be a nightmare for law enforcement, because inadvertently, although the language seemed to be fine, the evidentiary requirements were considerably higher than any of our lawyers could produce in court. We called a meeting in Phoenix, and everyone agreed and decided we would make a unified approach to change that.

A new piece of legislation has been drafted in cooperation with the legislature, and I hope that as of about July 1 the criminal narcotics laws will be contained in title 13, which are the criminal laws. The Uniform Control Substance Act will apply only to the State pharmacy board. The State pharmacy board is the licensing agency for the pharmacies and the distributors, and so on. That's Mr. Duncan, and those people. I don't remember all of the names. They have the administrative regulatory control. Although law enforcement agencies can still get involved in it, it's principally an administrative matter.

Mr. SCHWARZ. May I make a comment?

Senator DECONCINI. Sure.

Mr. SCHWARZ. You brought up a point before about legislation, and I was just wondering, are you familiar with the Florida laws? What I am saying here is from the Narcotics Control Digest dated January 23, 1980.

Senator DECONCINI. No, I am not.

Mr. SCHWARZ. There is a humorous story in it, but it's fantastic. Apparently in Florida it's against the law to buy or attempt to buy narcotics. And what Florida is doing, what they are saying here—I won't read the whole thing, but it happened in Fort Lauderdale. It was the Fort Lauderdale Police Department. The undercover agents, don't go out and try to buy dope; they go out and try to sell dope. There were three men from North Carolina who went to Fort Lauderdale to buy 8,200 pounds of marihuana from undercover Fort Lauderdale police officers. The money involved was $684,000. What they tried—they hired attorneys to get that money back. What it all boils down to is that the court ruled against the defendants. They ruled for the police department, saying that it's against the law to attempt to buy narcotics in the State of Florida. The money was seized, like we seize automobiles, and the money turned over to the general fund. That's hitting them where it hurts the $684,000. If we could have that type of law in Arizona——

Senator DECONCINI. Yes.

Mr. SCHWARZ. I think you will see the light at the end of the tunnel. When they start losing their planes through seizures and their cars through seizures, and then they start losing their money through seizures, I think we are going to start seizing down the line. If the legislature could look into a small change in the narcotics laws, make it a felony with a mandatory five to attempt to purchase narcotics.

Mr. CHAIRMAN. Thank you very much. I greatly appreciate your taking your time. And you have been very helpful.

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

STATEMENT OF JOHN EVANS, REGIONAL DIRECTOR, DALLAS, TEX. ACCOMPANIED BY JOE ARPAIO, SPECIAL AGENT IN CHARGE, PHOENIX, ARIZ.

Senator **DeConcini**. We will now hear from Mr. John Evans, regional director from Dallas, Tex., and Joe Arpaio, the special agent in charge in Phoenix, Ariz.

John, it's nice to see you again, and Joe. I appreciate your waiting around all of this time and coming over from rainy Texas. We are glad to have you here.

Mr. **Evans**. We have given you, Senator, as you know, a prepared statement. I understand we are running behind schedule, so I would be pleased to give you a 5-minute summary, or if you would prefer——

Senator **DeConcini**. That would be great. We will put the full statement in the record. And if you would, summarize it, please.

Mr. **Evans**. What I'd like to do this afternoon is outline what our function is and what our goals are and what our accomplishments have been. At present, there are five field offices in the State of Arizona located in Phoenix, San Luis, Nogales, Douglas, and Tucson. Additionally, there is a task force operating from the Phoenix office comprised of officials from the Arizona Department of Public Safety, Arizona Drug Control District, and the Mesa Police Department.

The primary goals of these offices are to identify, investigate, and immobilize those class I and class II heroin traffickers who operate at interstate and international levels, with emphasis on developing investigations to implicate the source of the supply. Special emphasis is also placed upon the development of significant financial and conspiracy investigations directed at upper echelon violators. Secondary emphasis is placed on production and/or distribution of dangerous drugs, cocaine, and marihuana.

Another important component of our mission is the regulation of the licit drug industry in order to prevent diversion of controlled substances from the legitimate market.

Marihuana remains readily available in Arizona and is, without a doubt, the most abused illegal substance not only here, but throughout the country. Primary sources for marihuana are Colombia, Mexico, and California, with Hawaii acting in a limited capacity.

Popularity of cocaine has not diminished. It remains readily available in large quantities. You have limited quantities of phencyclidine, better known as PCP. And LSD has been available on a sporadic basis here in Arizona. Although not always available, amphetamines and methamphetamines are always in demand.

Heroin remains readily available in Arizona, however, at inflated prices. Purity is now showing some signs of a slow increase.

DEA's enforcement response varies with each of these substances. Our priorities are flexible enough to allow program changes as required by changes in abuse or trafficking patterns. For example, with respect to heroin, our No. 1 priority in Arizona, has been related directly to the situation in Mexico, the primary source for heroin in this area. Arizona's proximity to the Mexican border has made it relatively simple for small dealers and users to cross the international border with ounce quantities of heroin. Arizona also has been the conduit for organizations moving substantial amounts of Mexican heroin into the United States.

The Government of Mexico's successful eradication program has drastically reduced the volume of Mexican heroin in this country. The heroin threat now facing this country comes from Southwest Asia, which is illustrated by a recent case here in Phoenix. You may recall it—8.3 pounds of 85 percent pure Southwest Asian heroin was shipped to Phoenix from Iran by way of Kuwait and Chicago. And I think you are probably familiar with that, Senator. This case was developed with the assistance of the Phoenix district task force, which included the department of public safety, Maricopa County Sheriff's Office, police departments of Phoenix, Tempe, and Scottsdale. And it clearly illustrates two points. First, the threat of South Asia is very real and we must remain aware of its potential at all times; second, that interagency cooperation is fundamentally important in the development and execution of major investigations.

Two months ago, law enforcement officials from Arizona, as well as the other 49 States, went to Washington, D.C., to meet with the President, the Attorney General, and experts from DEA to be briefed on the Southwest Asian heroin situation. I am sure your have been briefed by Mr. Bensinger.

While heroin is DEA's top priority, Arizona must also be concerned about the large scale trafficking of marihuana. Marihuana is an enforcement priority because of the extensive criminal networks involved in its distribution and because of the financial implications associated with its trafficking. Arizona has figured prominently as a base of operation or transit point for illicit international and interstate transportation of marihuana.

There has been, however, a drastic curtailment of air smuggling activity that seemed to coincide with the spraying of Mexican marihuana fields with paraquat and the overall shift toward Colombian marihuana in the United States. We have seen several organizations shift energies toward the trafficking of Colombian marihuana and cocaine. We have extensive intelligence which indicates that private aircraft are being utilized for those purposes.

Cocaine traffic via legitimate commercial air travel is also increasing. As you know, the Sky Harbor International Airport was expanded recently; terminal space was increased by 300 percent. In anticipation of the utilization of the airport by drug couriers, DEA and the Arizona Department of Public Safety teamed up in July 1979 to establish a special detail to work at the airport. Thus far it has been a most successful cooperative venture.

PCP has been consistently available in the Phoenix area. The Phoenix District Office monitors the sale of chemical precursors used in the manufacture of PCP. This monitoring system, in conjunction with an excellent liaison program with the area chemical firms, the full cooperation of all the concerned enforcement agencies, and the piperidine controls placed by the Congress has led to real success in this area.

I must note that DEA is no less concerned about the abuse of licit substances. We maintain a full compliance unit based in the Phoenix District Office. It is their responsibility to enforce the regulatory provisions of the Controlled Substances Act to prevent diversion of legitimately-manufactured drugs.

In accordance with DEA's mandate, the bulk of their efforts are concentrated on the cyclic investigations of the nonpractitioner registrants. However, we certainly cannot ignore the fact that dilaudid, demerol, and percodan are part of the illicit drug trade in Arizona. Consequently, a secondary role for our compliance units is to establish and maintain liaison with the State regulatory and licensing agencies. It is our aim to help them upgrade their capabilities to deal with retail diversion. Additionally, DEA is working with the department of public safety in evaluating the current diversion problem in Arizona with an eye toward determining whether a diversion investigation unit (DIU) would be beneficial to Arizona.

In the interim, the DEA Phoenix District Office has been participating in Operation Script, a program directed at practitioners known to be involved extensively in the diversion problem.

DEA has a longstanding commitment to provide training to State and local enforcement agencies to enhance their capabilities and programs. Some highlights have been a 2-week school conducted in Phoenix in March of 1979 for 55 officers from various communities in Arizona and New Mexico; a 3-day financial investigations seminar in Yuma, Ariz., for State and local officers; a special seminar for 35 Indian police trainees at Window Rock. Tomorrow, the Phoenix District Office will begin conducting a 3-day narcotic conspiracy school for approximately 40 State and local officers based in the Phoenix area.

In many respects we have had considerable success; yet, we are faced with frustrating challenges. We will continue to endeavor to do our best to have an impact on the many aspects of the drug trafficking problem.

In conclusion, let me thank you for your attention and your demonstrated concern about the mission of the Drug Enforcement Administration. I will be pleased to answer any questions you have got.

STATEMENT OF JOHN EVANS, REGIONAL DIRECTOR, SOUTH CENTRAL REGIONAL OFFICE, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Good day, Senator DeConcini. It is a pleasure to be here in Airzona, your home State, to represent the Drug Enforcement Administration at this hearing on the availability and abuse of drugs and the progress being made to control it. I do not intend to present any startling news today—I know you are already well-informed about the dimensions of the drug problem here. What I would like to do this morning is outline just what the DEA is, what our function is, what our goals are, and what our accomplishments have been.

There are five field offices in the State of Arizona, located in Phoenix, San Luis, Nogales, Douglas and Tucson. These offices are staffed by two special agents in charge, three resident agents in charge, 53 special agents, 2 intelligence analysts, 2 compliance investigators and 26 support personnel. Additionally, there is a task force operating from the Phoenix office comprised of officials from the Arizona Department of Public Safety, Arizona Drug Control District, and the Mesa police.

The primary goal of all these offices is to identify, investigate and immobilize those class I and class II heroin traffickers who operate at interstate and international levels. We also place considerable emphasis on developing investigations to implicate sources of supply. Additionally, special emphasis is placed upon the development of significant financial and conspiracy investigations directed at upper echelon violators.

Secondary emphasis is directed toward class I and II violators who are involved in the production and/or distribution of dangerous drugs, cocaine or cannabis.

Another important component of our mission is the regulation of the licit drug industry in order to prevent diversion of controlled substances from the legitimate market. In a few moments, I will elaborate on each of the above objectives within the context of describing the present situation in Arizona.

Marihuana remains readily available in Arizona and is, without a doubt, the most abused illegal substance. Sources abound. Colombian is the marihuana of choice and is available, as is the less desirable Mexican. California and Hawaii are also limited sources. There is even other domestic marihuana available, but it is the least desirable. Although there was the case this past fall involving hashish, it does not seem to be a significant substance of abuse in Arizona.

The popularity of cocaine has not diminished. It remains readily available in large quantities and is used primarily by the middle class and affluent groups.

Limited quantities of phencyclidine (PCP) have been available in the Phoenix area on a constant basis. LSD is available sporadically and demand by younger users tends to run in cycles. Although not always available, amphetamines and methamphetamines are always in demand.

Heroin remains readily available in Arizona, however, at inflated prices. Purity is now showing signs of a slow increase.

DEA's enforcement response varies with each of these substances. Our priorities are flexible enough to allow program changes as required by changes in abuse or trafficking patterns. For example, with respect to heroin, our No. 1 priority, we have seen such changes. For quite a while, the heroin problem in Arizona has been related directly to the situation in Mexico, the primary source for heroin. It is easy to visualize how Arizona's proximity to the Mexican border has made it relatively simple for small dealers and users to cross the international border with ounce quantities of heroin. That scenario requires one enforcement approach and over the years we have become increasingly more effective in making seizures of this type. Arizona also has been the conduit for organizations moving substantial amounts of Mexican heroin into the United States. Using a variety of enforcement techniques we also have had considerable successes against these major organizations.

The Government of Mexico's successful eradication program has drastically reduced the volume of Mexican heroin in this country. The heroin threat now facing this country comes from Southwest Asia. The following case summary illustrates the magnitude of the problem and the level of enforcement coordination required:

A 6-month investigation of a group of violators was concluded in late March of this year with arrests of four primary defendants. Several weeks earlier, U.S. Immigration and Naturalization Service and U.S. Customs Service officials in Chicago intercepted a suitcase destined for the violators in Phoenix. It arrived in Chicago as a bonded airfreight shipment. The suitcase contained 8.3 pounds of 85-percent pure Southwest Asian heroin and was shipped to Phoenix from Kuwait via Chicago.

A DEA undercover agent accompanied the suitcase to Phoenix. The arrests occurred after one of the defendants retrieved the suitcase. Also seized at the time a Federal search warrant was executed were: 4 ounces of heroin, 1 pound of raw opium, 2 pounds of hashish, a small amount of cocaine, 3 revolvers, and 2 vehicles. Four people were arrested.

The Phoenix District Office task force is to be commended for the successful completion of this investigation. They were also assisted by the Arizona Department of Public Safety, the Maricopa County Sheriff's Office, and the police departments of Mesa, Tempe, and Scottsdale.

This case clearly illustrates two points that are foremost in my mind this morning. First, the threat of Southwest Asian heroin is very real and we must remain aware of its potential at all times; second, that interagency cooperation is fundamentally important in the development and execution of major investigations.

Two months ago, law enforcement officials from Arizona, as well as the other 49 States, went to Washington, D.C., to meet with the President, the Attorney General, and experts from DEA to be briefed on the Southwest Asian heroin situation. This demonstration of the spirit of cooperation is unprecedented and most welcome.

As I mentioned earlier, heroin is DEA's top priority. However, Arizona must also be concerned about the large-scale trafficking of marihuana. Marihuana is an enforcement priority because of the extensive criminal networks involved in its distribution and because of the financial implications associated with its trafficking. Historically, Arizona has figured prominently as a base of operation or transit point for illicit international and interstate transportation of marijuana. Two interrelated factors come into play here: Arizona's proximity to a source country—Mexico—and its geography, which is ideal for clandestine airstrips.

In the area covered by the DEA Phoenix District Office, there are approximately 200 clandestine airstrips. There are also hundreds of miles of dirt and paved roads throughout Arizona's desert areas which are being used as landing strips by smugglers. Interestingly, DEA has corroborated intelligence that Arizona is being used as a national training ground for smuggler/pilots. On several occasions, we have received reports that aircraft have been observed practicing soft or short field takeoffs and landings during daylight hours and out in the open. At these sessions, although known violators are involved, there are no violations of the law because there is no contraband aboard the aircraft.

There was a drastic curtailment of air smuggling activity that seemed to coincide with the spraying of Mexican marihuana fields with paraquat and the overall shift toward Colombian marihuana. The impact of this change has some of the trafficking organizations continue as before with the Mexican heroin and marihuana trafficking; and we have seen other organizations direct energies toward the trafficking of Colombian marihuana and cocaine. We have extensive intelligence which indicates that private aircraft are being utilized for those purposes.

Cocaine traffic via legitimate commercial air travel is also increasing. As you know, the Sky Harbor International Airport was expanded recently; terminal space was increased by 300 percent. In anticipation of the utilization of the airport by drug couriers, DEA and the Arizona Department of Public Safety teamed up in July 1979 to establish a special detail to work at the airport. This has been a most successful cooperative venture. From the time of the detail's establishment to the end of the year, the detail arrested 21 individuals and seized 5 pounds of cocaine, 150 pounds of marihuana, 100 pounds of miscellaneous pills, $52,000 cash and four vehicles.

As I noted earlier, PCP has been consistently available in the Phoenix area. We have found PCP in all its various forms: In cigarettes, powder, pills, and liquid. The Phoenix District Office monitors the sale of chemical precursors normally used in the manufacture of controlled substances, such as PCP. This monitoring system, in conjunction with an excellent liaison program with the area chemical firms, the full cooperation of all the concerned enforcement agencies, and the piperidine controls placed by the Congress has led to real success in our efforts to control the abuse of PCP. The following case demonstrates how an investigative case was developed:

A PCP laboratory was disclosed by continued surveillance of chemicals sold locally. The laboratory was in the garage of a residence which is located on a desert mountaintop in Phoenix, overlooks the plush Pointe Resort, and had a picture window panorama of most of Phoenix. The laboratory was later moved to a warehouse near Scottsdale Airport. Agents were successful in searching both locations, and found empty chemical containers which had contained sufficient chemicals to produce 100 pounds of PCP. A cooperating defendant stated he had expended over a quarter of a million dollars generated from the sale of PCP in a 6-month period in 1979. One defendant had a prior PCP conviction from out of State. Two defendants were sentenced to 5 years in prison.

Although thus far I have focused my remarks on the trafficking of illicit controlled substances, DEA is no less concerned about the abuse of licit substances. We maintain a full compliance unit based in the Phoenix District Office. It is their responsibility to enforce the regulatory provisions of the Controlled Substances Act to prevent diversion of legitimately manufactured drugs.

In accordance with DEA's mandate, the bulk of their efforts are concentrated on the cyclic investigations of the nonpractitioner registrants. However, we certainly cannot ignore the fact that Dilaudid, Demerol, and Percodan are part of the illicit drug trade in Arizona. Consequently, a secondary role for our compliance units is to establish and maintain liaison with the State regulatory and licensing agencies. It is our aim to help them upgrade their capabilities to deal with retail diversion. Additionally, DEA is working with the Department of Public Safety in evaluating the current diversion problem in Arizona with an eye toward determining whether a Diversion Investigation Unit (DIU) would be beneficial to Arizona.

In the interim, the DEA Phoenix District Office has been participating in Operation Script, a program directed at practitioners known to be involved extensively in the diversion problem. Two priority cases were investigated in Arizona. The investigative information against a doctor was referred to the State licensing agencies, and the doctor's license has been suspended. The case against a pharmacy is still pending.

DEA has a long-standing commitment to provide training to State and local enforcement agencies to enhance their capabilities and programs.

In the past year, DEA instructors have conducted a variety of drug law enforcement training schools in Arizona. Highlights of this program include: A 2-week school conducted in Phoenix in March 1979 for 55 officers from various communities in Arizona and New Mexico; a similar program 6 months later in Yuma; a 3-day financial investigations school attended by 15 State and local officers; and a special seminar for 35 Indian police trainees at Window Rock. Tomorrow, the Phoenix District Office will begin conducting a 3-day narcotic conspiracy school for approximately 40 State and local officers based in the Phoenix area.

In many respects, we have had considerable successes; yet, we are faced with frustrating challenges. We will endeavor to do our best to have an impact on the many aspects of the drug trafficking problem. Thank you for you attention and demonstrated concern about the mission of the Drug Enforcement Administration. Senator DeConcini, this conclues my formal remarks regarding the drug law enforcement situation. I will be pleased to answer any questions you may have.

Senator DECONCINI. Mr. Arpaio.

DEA—COOPERATION

Mr. ARPAIO. Yes, sir.

Senator DECONCINI. I want to thank you for being here, and I wish you would express my thanks if you see Mr. Bensinger before I do.

I don't know how long you have been here today, but there seems to be a consensus developing here that cooperation among a lot of different law enforcement agencies is on the increase, and I compliment the Drug Enforcement Administration and its Director and you gentlemen for that.

Your name has been mentioned, Joe, a couple of times regarding the cooperative effort. From your experience and your participation in this for a long time, is this a policy change; is this coming from Mr. Bensinger, or is it a fact that roots are being developed here with DEA agents? Can you enlighten the committee? Why is it improving? Is this a real effort from Washington to try to get closer to local law enforcement?

Mr. ARPAIO. Well, I think the effort was initiated back in 1976 when Mr. Bensinger came on board as the administrator for DEA. One of the very first things he did was get very involved in the IACP. And you may or may not be aware, but, Mr. Bensinger meets with the major city chiefs of police once a year, at the IACP Conference and they bring their narcotics enforcement units officers in, the command officers at the working level. The primary purpose of this is to have an exchange of ideas, learn each others problems and see if we can find better ways to work together more effectively.

Senator DECONCINI. Now when you do that, Mr. Evans, do you come across the problems of geographic areas?

EFFECT OF DEA'S POLICYMAKING ON REGIONS

Mr. EVANS. Yes.

Senator DECONCINI. Concerns have been expressed here today that one of the problems with Federal agencies is that a policy decision is made, but it doesn't take into consideration that the Southwest is different than the Southeast or the Northeast. What is the policy of DEA as far as regional efforts? Do you have a policy that has to be followed, blanket all the way down the line, or is there in your position as Regional Director, do you have the discretion to alter some of the coordinated cooperative efforts that could be put together?

Mr. EVANS. I can alter any policy that doesn't violate law or regulation.

What I try to do, as best we can, is implement some commonsense techniques to overlook a lot of government redtape. And I am sure you are familiar with that.

Senator DECONCINI. I sure am.

Mr. EVANS. And it is by and large a personal thing. Now the policy of the organization, I am sure every law enforcement chief would say, is his policy. I think that's a good-faith cooperation on Mr. Bensinger's part.

You will find personality conflicts, which I am sure you have heard of and you are aware of. But for the most part, it's just a little application—If you have the spirit of cooperation and a little commonsense application of cooperation, there is not a whole lot that you can't amend and work around.

Senator DECONCINI. I don't know if you got a cnance to see this suggested effort.

Mr. EVANS. I heard it.

Senator DECONCINI. It's kind of interesting.

Mr. EVANS. I heard the officer, yes.

Senator DECONCINI. And, though perhaps oversimplistic, what kind of an attitude would DEA put forward if one of these agencies came together and said we would like to sit down on a commission basis——

Mr. EVANS. That wouldn't give may any problem at all. I would not even call it oversimplistic. I think one of the problems that we have had in this field is we tend to address this as a very complex problem, and I am not so sure it's as complex as a lot of people would think it is.

Senator DECONCINI. I kind of agree with you. And this is one of the things that ought to be considered.

Mr. EVANS. One of the things we have done in DEA, is to encourage the bringing together of State and local officers with some DEA people in a given area. Budget restraints are going to reduce this program drastically. what we have a lot of places, and again, we encourage this, but again it depends on the personalities of individuals who are agents in law enforcement in that area trying to get together on an ad hoc basis.

You don't have to have a common agreement to put officers together and address a mutual problem.

Senator DECONCINI. No, but you have to have some kind of policy that encourages them, too.

The GAO study pointed out so explicitly the tremendous wealth of local law enforcement dealing in narcotics.

Mr. EVANS. Yes.

Senator DECONCINI. And the lack of DEA making an inroad and being part of that partnership. I have witnessed it in Arizona here just in the last year with Joe's help, and yours, and Mr. Bensinger's. A far greater awareness that, "gee, there are some resources here that are very good for the Drug Enforcement Administration." It may help you make a case over in Colombia or someplace else. How do we get this message to all of your regional and subregional district offices? Do you take it there by yourself by meeting with them, or do you put out a directive that, hey, we want a cooperative effort? I am trying to satisfy the committee's sake that the DEA is attempting to direct some of the constructive criticisms pointed out, as well as praise that was in this report, by the way.

Mr. EVANS. Well, I think you have seen a recent example of that in DEA right here in your backyard.

Senator DECONCINI. Yes. Is that commonplace throughout the country?

Mr. EVANS. Yes. The message that comes down from topside is cooperation is going to be the byword. And as much as possible, that is implemented. And I'd like to think in a good-faith posture as much as possible. There are conflicting, as you say, priorities. And I think this has been pointed out here today.

We have all got our own masters that we are accountable to and we have all got our own systems that we are accountable to. And there is frequently conflict within those systems and the requirements. This causes little bureaucratic problems from time to time. And it's got to be resolved at a personal level among the people who have to do the job, really.

LOCAL COOPERATION

Senator DeConcini. Mr. Arpaio, do you find hesitance on the part of local law enforcement drug units of cooperation or sharing information based on the Freedom of Information Act or other Federal laws that they are not affected with unless they get connected with a Federal agency?

Mr. Arpaio. No, I don't find that in this area.

Senator DeConcini. You don't?

Mr. Evans. We have good cooperation with 99 percent of the agencies in this area. We change information on a daily basis. We work operational cases together, side by side. I don't think that is a problem. As far as any bureaucratic of Federal laws regarding dissemination of information, there are ways to get around that.

Senator DeConcini. Well, we heard—excuse me, go ahead.

Mr. Evans. We have a task force, and by virtue of those officers assigned to the task force, they have free access within the law of attaining information from our files and computers without the privacy act interfering.

EPIC-UNTAPPED POTENTIAL?

Senator DeConcini. We heard today from the GAO people, Mr. Hall, and the other people regarding EPIC that there seems to be a far greater acceptance of EPIC because of what has been determined. I think it's fair to say that the people are getting what is there and not half of what is there, although they say that that's kind of recent. Is there anything that has developed in the EPIC administration that is new or is just finally getting established?

Mr. Evans. I don't think it's new. The administration, Senator, as much as about 2 years ago, Mr. Bensinger wanted to see if there wasn't some way we could use EPIC to support State and local enforcement efforts. And you may or may not be aware of this effort, but we invited all the States to participate, I think in five different regional seminars. And at this point, 37 States have signed agreements with EPIC. And this is to try and get the information out to the States and make it available to them and use them as a filtering point then to get this information available to the local police department in their respective areas. I think it's met with good success, and I think the fact that 37 States have signed up with the service, I think would speak for itself.

HEROIN FLOW INTO ARIZONA

Senator DeConcini. Mr. Arpaio, the testimony we received to day is that there is a decrease, there is less heroin coming into the State of Arizona. First of all, do you concur with that, versus a couple of years ago?

Mr. Arpaio. Well, that's hard to say. I do know that here in Phoenix, in cooperation with many local law enforcement authorities, that we seized last year approximately 28 pounds of heroin. The majority of the heroin seized, of course, has been low purity, except for the 8-pound seizure that was recently made that emanated from Southwest Asia.

As I say, 40 percent of our arrests were heroin. The Administrator has mandated and advised us that we should dedicate our resources to immobilizing the heroin traffickers. I don't know if the increase in arrests or the seizures are because of more concentration against this type of drug, or whether the heroin traffic is increasing from Mexico and other areas of the country.

Senator **DeConcini**. Has the DEA decreased its resources in Arizona?

Mr. **Evans**. Well, I have been here 2 years. We have decreased them regionally. We just took a cutback of 12 positions, but this was not total body loss. This was position losses that we never had filled. We lost one actual position. You are familiar with that game that's played in Washington also, so, no loss of manpower.

Senator **DeConcini**. How many DEA agents are there in Arizona?

Mr. **Evans**. Forty-seven right now under the new table of organization.

Senator **DeConcini**. And how many were there 2 years ago, roughly?

Mr. **Evans**. Two years ago, I couldn't go back. I have only been here 8 months.

Senator **DeConcini**. Is that an increase or decrease?

Mr. **Evans**. I think it would probably be very close, give or take one body. We have just received authorization recently to open an office in Galveston, Tex. Because with the shift from heroin and—not heroin, but cocaine and marihuana coming up from Colombia, as soon as Louisiana and Floria have passed the rather stringent State laws, we are finding now that there is an awful lot of trafficking coming in on the gulf coast, and that would be cocaine and marihuana primarily.

METHODS FOR INCREASING COOPERATION

Senator **DeConcini**. Mr. Arpaio, how do you get the word to your street agents or your agents in the field of this effort coming down from the top to cooperate? What do you do when an agent says: I don't want to deal with that local sheriff down there. I just don't like him. You know, why don't we do our own thing, boss?" How do you overcome that? Do you just have to take some time to develop that, assuming that the local law enforcement is trustworthy? What kind of experience have you had in that?

Mr. **Arpaio**. Do you mean here in Phoenix or in the world?

Senator **DeConcini**. Yes, anyplace. Anyplace in the United States. But I am just relating it to Arizona because that's where we are. I don't need any specific examples of people. I am just interested in how do you get your agents to do that? I know it's tough to get prosecutors to work with certain law enforcement agents that they don't like for one reason or another and sometimes to get investigators to work with the city police for one reason. I am just interested in what you do; what is your program in DEA to try to make it happen?

Mr. **Arpaio**. As Mr. Evans mentioned, I think it starts at the top; the tempo that's set by the Administrator. I know I have worked for administrators in my 28-year career, and I served around the world with many police departments, and I do know that this Administrator insists on cooperation. And I also have to say that if you look at statistics, I will wager to say that 90 percent of our cases are in conjunction with State and local and Federal agencies' participation. However, the majority of agents in our organization do want to work with State and local police officers.

A large number of these officers are former policemen themselves, like I am, and they understand the problems. They want to work with police departments, and they understand the cooperation that's necessary.

I would, first of all, by my own example, try to show him that it is necessary in order to combat this drug traffic. And then most agents will follow the leader's philosophy, policies, and so on.

Senator **DeConcini**. Mr. Evans, if you need to leave for an airplane, I understand.

DIVERSIONARY INVESTIGATIVE UNIT

A couple of other questions. I understand the DEA and the State of Arizona are in the process of establishing a diversion investigative unit to investigate the diversion of controlled substances by doctors and pharmacists. What is the status of this project, can you tell us?

Mr. **Evans**. I would have to defer to Joe on that. I believe we just met with Director Milstead, and it's right now in the early stage.

Mr. **Arpaio**. I met with the newly appointed director, and he is agreeable to establish a unit. October will be the next fiscal year, and I am very confident that by October we will have a unit in this State.

DRUG PARAPHERNALIA

Senator **DeConcini**. Very good. And concerning the problem that State and communities are having with drug paraphernalia, I understand that DEA has prepared a model act which attempts to avoid or to at least minimize constitutional problems with existing State legislation in this area. Has DEA made any efforts to persuade Arizonia officials to adopt it or make it available, or do you have such a program?

Mr. **Evans**. No, I think they are doing that on the national level, sir. I think they are contacting the State from the national level and advising them of availability of this model act, and that they will be happy, if the State is interested, to help them draw up such an act.

Senator **DeConcini**. So you don't know of any?

Mr. **Evans**. No, I don't at this time.

Senator **DeConcini**. Are there any particular problems or roadblocks to better cooperation between the Drug Enforcement Administration and State and local agencies in Arizona?

MOTIVATION OF DRUG TRAFFICKERS

Mr. **Evans**. None that I am aware of.

I don't think cooperation has ever been our serious problem. I think perhaps the biggest problem that drug enforcement is faced with today, be it State, local, county, or Federal is the fact—and I don't mean this facetiously—apart from the consideration of your Christian principles, morals, ethics, or scruples, apart from those considerations, there is no reason for someone not to engage in the drug traffic today. Because this country as a whole has nothing to deter them from it. The profits have become so absolutely immense that if you can get past the considerations I just mentioned, from simple economics, it's the most profitable venture in the world. And I think that is borne out in the last 3 years. I don't have any statistical data available at this time, but from personal knowledge, having watched from the national scene, I think it's borne out because of the number of people who are becoming involved in the drug traffic that have no prior criminal history whatsoever.

Chicago is the best example which comes to mind. At Commodities Board Exchange in Chicago, we arrested 28 people up there. They are all stockbrokers, lawyers, or otherwise businessmen, none of whom had any prior criminal convictions, no criminal record whatsoever. It was a conspiracy, too, in large quantities of marihuana and cocaine. That story is being repeated throughout this country today because the people sit down and they make very simple business calculations, and they see what is involved in terms of risk, and they see what is involved in terms of investment and return on investment. Someone who is business-oriented could very simply sit down and calculate what his profits could be. He couldn't invest in gold or diamonds or any other commodities and make such a return on his invested capital. He weighs the risk and peculiarly enough, if he does get arrested, generally because they have no prior background, they get the traditional slap on the wrist and they walk through the revolving door.

I think as one of the U.S. attorneys mentioned here this morning, there is a morale problem. It's not only among Federal officers, I think it's among all police officers who engage in drugs today. I think that's probably the single most important basis for the morale problem. It's very difficult to keep locking up the same guy 3 to 5 years on a cyclical basis. By the time the police officer retires, if he has spent a year in narcotics enforcement, he might have locked the same guy up 4 or 5 times and now be working on his son.

From a personal standpoint, after 25 years of watching the problem, I think the greatest need right now is some laws that have teeth in them and some minimum mandatory penalties. What I say "minimum mandatory," I mean a penalty which a man can get 10 years in jail. He gets no parole, he gets no probation; he must serve the time. And until we get laws like that, it's my own personal opinion that anything else we do is going to fall short of achieving this goal of trying to reduce this to some kind of a vague acceptable level. That is a term that is used in Washington, and I am not sure what that is in anybody's mind. I guess it depends on your own personal views. But until we have that kind of law, it's my own personal feeling, and a very strong feeling, that anything else we do is going to fall way short.

The other one is the bail bond, Senator. I think you have heard my feelings expressed on that. That's no more than a license which is a form of inconvenience today to major drug traffickers.

Senator DECONCINI. I agree with you on both those points.

APPROPRIATE LEVEL FOR DEA ACTIVITY

Let me go to one last thing before we finish here. A lot of the discussion here about increased cooperation between your agencies and customs, and the drug strike force, and the DPS and the various larger units. Do you see the day, since we seem to be moving in the area of greater cooperative effort, do you see the day where more of your personnel and resources could be moved away from the street level field operation to your international and your interdiction areas someplace else?

Mr. EVANS. Well, I think this is what we have done, to a small degree. I believe it was 1977 when Mr. Bensinger testified before the Appropriations Committee, and you are familiar with the history of the buy/bust syndrome that we have been accused of over the years.

Senator DECONCINI. Yes I am.

Mr. EVANS. And it was decided in headquarters, and I was part of that decision, that what DEA needs to do is what we said, and that is get out of the buy/bust, get out of the numbers oriented syndrome and get into making quality violators. At the time the boss made the presentation at the Appropiations Committee, he said that a direct result of this is going to be a drastic dropoff in our case productivity, the statistics at the end of the year. I think in the following year, they dropped over 100 percent, and we survived that. I think we have made the point there has been a genuine thrust in DEA to get more and more away from the street; get into the conspiracy, get into the financial aspects. This is probably the biggest pressure item in DEA today is conspiracy and financial aspects. We are trying to train the people, trying to orient them in that kind of thinking, because that's where I think the Government gets its best return on its vested dollar.

Senator DECONCINI. You know the DEA kind of refutes that that is what happened in that report; not that you haven't tried. But do you think you have achieved that, or are you still in the process of trying to put that together?

Mr. EVANS. No, that's a long process, Senator. When you have had a body of people conditioned to working a certain way for *x* number of years, you are not going to achieve that in a matter of a year or two.

Senator DECONCINI. Does the director have a timetable of when you hope to have it?

Mr. EVANS. I don't know if this has been set out chart style, but the timetable now is as soon as possible. We would like to get around and have the statistics at one fiscal yearend reflect that we have achieved this. It's a process of retraining, reindoctrinating your people. You still cannot fail to consider that there has to be some numbers there. And that's not all bad, because a good many of your big cases really start at a lower level. And I for one would say that we won't—we should never completely ignore working the street level cases. But I think we are truly getting more into the posture where our primary mission is, as we see it, is international and interstate.

Senator DECONCINI. Mr. Evans, if you really had the cooperation, the task force type joint efforts with some local agencies, you could easily pull back on that, because you would obviously have the confidence and they would have the confidence. You wouldn't have to have all of those people there, would you?

Mr. EVANS. But that takes money, Senator.

Senator DECONCINI. Well, it takes time.

Mr. EVANS. It takes time and money both.

Senator DECONCINI. And leadership to get the people to do that. I am thinking that it might save money, as if those relations are ever developed where you don't have to have a whole operation in Douglas, or Nogales, or Tucson.

Mr. EVANS. Yes.

Senator DECONCINI. That you can have a contingency there assigned to a credible State local unit that would make one case. Obviously if it goes out of their jurisdiction, you have the right to follow that. Do you see that happening?

Mr. EVANS. I don't, primarily because of money factors at this point in time.

I see the Government cutting back. DEA has taken some rather drastic budget cuts, and Lord only knows what lies ahead.

Senator DECONCINI. Yes, but this would be saving money. If you didn't have to have a full contingency in Tucson, and had them assigned to another unit where you had such cooperative effort. If you felt your procedures and your efforts were being conducted at least on the street level, you would save money, is that correct.

Mr. EVANS. Right.

Senator DECONCINI. Then you could have those resources applied to interdiction and cross State, and what have you.

Mr. EVANS. Well, I understand what you are saying, and this is what we had hoped to achieve with the official task force program DEA has. The difficulty is that program is funded by DEA. And with other cutbacks in the budget, what we need is more ad hoc cooperation of the type you are describing.

Senator DECONCINI. And more local.

Mr. EVANS. Or each person is going to bear their own share of the burden as far as the costs are concerned.

Senator DECONCINI. That's what I am talking about.

Mr. EVANS. Yes, that would save money all the way around; certainly.

Senator DECONCINI. And do you have any hope that we can achieve that?

Mr. EVANS. I see no reason why we couldn't achieve that. As a matter of fact, in several cities around the country right now we have got precisely that working. We have ad hoc working relationships where everybody is funding his own portion of the operation, and it's just nothing more than an, as I said, I don't recall a general spirit of cooperation. We can all do better if we all get together.

Senator DECONCINI. For the record, can you have Washington or your office give us what areas you are doing that in?

Mr. EVANS. Yes. I would be happy to.

[The information follows:]

DEA TASK FORCES

The following DEA State and Local Task Forces are in existence.

Regional I, North Eastern:

Atlantic City, N.J.
Buffalo, N.Y.
Newark, N.J.
N.Y.J.T.F.
Long Island, N.Y.
Philadelphia, Pa.
Rochester, N.Y.

Region II, South Eastern:

Baltimore, Md.
Orlando, Fla.
Washington, D.C.

Region III, North Central:

Chicago, Ill.
Charleston, W. Va.
Minneapolis, Minn.
St. Louis, Mo.

Region IV, South Central:

Denver, Colo.
El Paso, Tex.
Lubbock, Tex.
Phoenix, Ariz.

Region V, Western:

Guam
Los Angeles, Calif.
San Diego, Calif.
Reno, Nev.

Senator DeConcini. Gentlemen, thank you very much.

Mr. Arpaio. Let me just say one thing, Senator. I presume that the person sitting in the back would get a bleak picture about the cooperation in this State, but I must say that this is my 12th duty post, and in this State I am very optimistic and I am very impressed with the cooperation and the attitude of all the State agencies—local, State, county—and the interests that they have in the drug enforcement problem.

Senator DeConcini. Well, thank you, Mr. Arpaio. I feel we have come a long way in both the Federal and the State agencies also. I just think that based on human nature and jurisdictional numbers, that everybody is under the pressure, that we need to be reminded of. And I am glad that you agree that it's a good environment here. We can't let it slip away from us, and I hope it's that way in Texas and other parts of your region.

Thank you, Mr. Evans.

Mr. Evans. Thank you, Senator.

[A brief recess was taken.]

DEPARTMENT OF THE TREASURY

U.S. Customs Service

STATEMENT OF WILLIAM GREEN, DEPUTY COMMISSIONER, OFFICE OF BORDER ENFORCEMENT, U.S. CUSTOMS SERVICE

ACCOMPANIED BY ORAN NECK, DIRECTOR, U.S. CUSTOMS PATROL, NOGALES, ARIZ.

Senator DeConcini. Our next panel will be Mr. William Green, Deputy Commissioner, Office of Border Enforcement, U.S. Customs Service, and Mr. Oran Neck, Director of U.S. Customs Patrol, Nogales, Ariz.

Gentlemen, welcome. Sorry to keep you so late. We are running a little bit late. We will try to move along.

We appreciate you being here today. Any full statement that you have will be entered in the record, and if you will proceed to outline it.

SUMMARY STATEMENT

Mr. Green. I have a brief summary statement.

It's a pleasure to appear before you to report on the current drug smuggling trends, customs border interdiction effort, and the significant improvements in cooperation among Federal and local law enforcement agencies across the country. I have extensively covered these topics in the attached text, but at this time I wish to briefly highlight the most significant of these items.

Although the drug smuggling trends and mode of entry have varied over the years, it is still very clear that the flow of illegal narcotics into the United States continues at alarming levels. The southeastern border remains an especially vulnerable area for massive smuggling of cocaine and marihuana by vessel and aircraft.

Apparently the program of crop eradication and other actions instituted on both sides of the border in this area have successfully reduced heroin from Mexico to only a third of the supply found among domestic users. The heroin threat, however, has not disappeared, nor is it very much reduced. Today, heroin, from poppies grown in Southwest Asia, is appearing at major airports on the east coast and will soon spread across the country.

A recent seizure of more than 50 pounds at JFK Airport is an indicator of the potential of the smuggling from Southwest Asia. Over the next several years, we anticipate a growing heroin smuggling problem at airports and seaports on the east and west coasts, particularly in cargo and among passengers.

Unlike heroin, cocaine comes from only one area, South America. Colombia, a major-growing area, has become the principal processor and the transshipper to the United States and Europe. The drug has achieved such popularity among middle- and upper-class users that we anticipate major smuggling well into the 1980's.

The third major drug smuggled into the country is marihuana. Although it is grown worldwide, the major domestic supply originates in Mexico, Colombia, and Jamaica. Mexican importance has apparently declined in recent years largely as a result of the eradication program and the paraquat scare. Colombia has taken up the slack with a vengeance. Ocean freighters from Columbia, carrying more than 10-ton loads are almost an everyday occurrence along the Atlantic and gulf coasts. Aircraft and vessels that smuggle marihuana from Jamaica are also a considerable problem.

The nationwide smuggling trends also impacts the Southwest border as well as Arizona.

Despite a drop in reported seizures by customs compared to previous years along the border, there still is considerable smuggling activity. Intelligence sources continue to report smuggling by private aircraft, motor vehicles, and commercial aircraft. Confirming this information is the 40-pound cocaine seizure in November 1979 from a vehicle crossing the border at Laredo, Tex. Recent intelligence indicates that Mexican smuggling groups are now involved in cocaine smuggling, and using the traditional means, the vehicle driven through a port of entry.

Smuggling has picked up in southern California, especially Los Angeles Airport and by vessel along the Pacific coast. At the airport there is almost a daily cocaine seizure from passenger baggage or in air cargo. Only small amounts of heroin have been reported. However, in the same geographic area, Fullerton, Calif., a combined DEA and Customs operation uncovered 101 pounds of heroin, 49 pounds of morphine, and 30 pounds of cocaine. The seizure provides undeniable evidence of the extent of the ongoing hard drug smuggling.

Traffickers from Colombia have not neglected the Pacific coast. Several vessel seizures provide confirmation of the extensive smuggling. The first occurred off the coast of Washington and involved 37 tons of marihuana. A second, involving 33.5 tons of marihuana, occurred near British Columbia. The most recent involved a fairly large vessel, which was scuttled by the crew. The actual amount is unknown but has been estimated as up to 25 tons.

Directing our attention to Arizona, we also note heavy drug trafficking. Intelligence has identified marihuana, cocaine, and methamphetamines as drugs readily available throughout the State. Heroin, thought to be in short supply, was very recently detected in an air cargo shipment. The seizure itself is of interest and clearly demonstrates the well-organized trafficking in heroin.

The key to uncovering the heroin was the discovery of two airway bills from an Iranian passenger arriving at O'Hare International Airport at Chicago, which disclosed a personal shipment to Phoenix from Kuwait. A nervous passenger and an unidentified shipment brought on an indepth check. Phoenix customs officers were notified that the shipment had arrived and should be guarded. The other waybill indicated that another shipment was still to arrive in Chicago. Ultimately 8.3 pounds of heroin were discovered in this shipment. Meanwhile, a controlled delivery on March 20, 1980, in the Phoenix area by DEA resulted in the seizure of another 5 ounces of heroin, 1 pound of opium, and 2 pounds of hashish. Also, three of the persons arrested are considered to be principal heroin dealers in Phoenix and Los Angeles.

In addition to the Mexican brown heroin which has been coming into the State during previous years, and which we expect to continue, there is now good evidence that Southwest Asian 85-percent pure heroin is also here in Phoenix.

With regard to marihuana and cocaine, there is a plentiful supply in the State. Most marihuana enters the State, according to available information, by vehicles directly across the border and probably by private aircraft. Unfortunately, substantive information on how cocaine is smuggled is not available, but our best estimate is commercial flights.

Responding to the national drug smuggling, Customs, as part of the Federal narcotics enforcement effort, has implemented its border interdiction program. On the Southwest border, Customs has deployed sizable inspector and patrol officer forces along the entire border. Augmenting these resources are four of Customs seven air units. They are located in San Antonio, El Paso, Tucson, and San Diego. We also maintain marine patrol units along the Texas gulf and Pacific coasts.

The Customs enforcement program along this border, as well as nationally, has benefited greatly from the growing cooperation among all Federal enforcement agencies. Our cooperation with Coast Guard and DEA is the cornerstone upon which the Federal effort is built.

Customs and DEA now closely cooperate on the exchange of intelligence, debriefing of arrested smugglers, and in field operations. A major source of the improved intelligence flow has resulted from the joint operation of the El Paso Intelligence Center (EPIC). Customs and DEA now have intelligence personnel working together at the center and at their respective headquarters.

During the past several years, numerous joint Customs/DEA special enforcement efforts have been directed against smuggling along the Florida/gulf border. An operation, Boomer/Falcon, in the fall of 1979, resulted in the seizure of more than 700 pounds of cocaine and 27 smuggler aircraft. A similar followup operation has just been completed. Both agencies have also initiated an integrated airport program, directed to standardizing enforcement procedures and fostering a closer working relationship among field units.

These cooperative efforts have proven successful and are a key factor in the more than $2.2 billion in retail value of drugs intercepted by customs in 1979. Heroin seizures rose to over 200 pounds, while cocaine was above 2,200 pounds. Marihuana seizures reached the rather staggering figure of over 3.4 million pounds.

An additional measure of success against the drug traffickers, and often overlooked, is the growing amounts of illegal currency transfers intercepted as part of Customs currency enforcement program. This past year it reached over $26 million. Illegal profits from drugs is the reason for the smuggling as well as what is needed to pay for the drugs. Vast sums illegally enter and leave the country each year. Customs, in cooperation with DEA and IRS, has implemented a high-priority effort to detect and intercept these transfers, and to prosecute the drug traffickers involved.

Successful prosecutions usually involve intricate and time-consuming investigations; however, the results in terms of disrupting major drug trafficking conspiracies are well worth it. Such an investigation was initiated in southern California based on the analysis of currency transaction reports showing frequent cash deposits of $200,000 to $800,000 in a local bank. Investigation showed that the bank account was in a fictitious name and served as a means of funneling proceeds from the sale of narcotics to secret bank accounts in Mexico. After a 2-year investigation, jointly conducted by Customs, IRS, and DEA under the supervision of the U.S. attorney, involving the tracing of transactions of about $31.5 million, a 300-pound-per-month heroin trafficking conspiracy was broken. A grand jury indicted 21 members of the group, including the 5 key members of the organization who were charged with felony currency conspiracy. Other charges included narcotics trafficking and tax evasion. The organization's leader was sentenced to 35 years imprisonment for currency and income tax violations as well as a concurrent 15-year sentence for narcotic violations, and assessed $1.2 million in fines.

If we could achieve such outcomes more often, we believe the drug smuggling problem would be effectively controlled.

A final point to be mentioned is the recent consolidation of all customs border enforcement under single management control. Now all customs investigators, inspector, and patrol officers are within the policy guidance of a single manager. We believe this consolidation will introduce a more integrated approach to drug trafficking and produce more effective results.

My colleague, Mr. Oran Neck, is Director of the Customs Patrol in the Nogales district, covering the State of Arizona and southern Nevada.

Mr. Chairman, he and I will be happy to answer any questions you may have at this time.

Senator DECONCINI. Mr. Green, thank you very much.

Let me welcome Mr. Albert Bergesen, who is the regional commissioner. We are pleased that you would come over from Los Angeles to be with us.

DECREASE IN CONTROLLED SUBSTANCE CASES

You have been here most of the day, Mr. Green and Mr. Neck, and I apologize for the lateness of the day, and we won't keep you too long, but let me ask you a couple of questions. What do you believe accounts for the subtantial decrease in the number of controlled substance cases opened by U.S. attorneys in the Southwest?

Mr. GREEN. That is hard to answer. It could be partially the paraquat spraying. It could also result from as with other agencies, trying to devote more people on more quality-type cases rather than just making numbers of cases.

MORALE IN THE CUSTOMS SERVICE

Senator DECONCINI. We had some U.S. attorneys testify today about low morale in the Federal agencies, including the Customs, that they work with on the day-to-day basis. Partly because of the age, partly because of lack of congressional support, partly because of lack of stronger leadership. Can you give us any update on the morale?

Mr. **Green**. Morale is not high, but I started 16 years ago, and it wasn't the greatest then either.

Senator **DeConcini**. Is it better today than it was 1 year ago?

Mr. **Green**. I think a little.

Senator **DeConcini**. How about at the Nogales Station on the border?

Mr. **Neck**. Well, I don't think its low morale. It comes down to the point we have got some officers that are frustrated because of the lack of seizures being made. They have always felt frustrated that a number of seizures have eluded them and have come into the State. But the people that work for me really don't have that problem of low morale. I really can't speak for the other divisions.

Senator **DeConcini**. Well, when you have a kind of competitive effort with DEA, in a sense that your authority, as I understand it, is only at the border, that must be pretty demoralizing when you lose it and it's made up in Tucson shortly thereafter. How does that affect the moral of your men?

Mr. **Neck**. Well, it used to years ago. We in the last 2 or 3 years, developed a pretty good system where we are working very closely with DEA, both in Nogales, Dougles and Yuma. And we are participating in more cases when DEA in Tucson or Yuma gets information. We work hand in hand with them. It's working out very well and alleviates some of the problems.

But down on the border, we are really not in a competitive mode with drug enforcing, so to speak. We are purely in the interdiction business. We really don't have any competition from anybody in the interdiction business.

U.S. Border Patrol is also established on the border, but of course their main function and responsibilities are illegal aliens. We really don't feel that we have a lot of straight competition as far as interdiction goes.

JURISDICTIONAL PROBLEM

Senator **DeConcini**. Prior to the 1973 reorganization where DEA became the main enforcer, customs had the jurisdiction, did it not, for more than just the interdiction at the border?

Mr. **Green**. Yes, that is correct.

Senator **DeConcini**. And that was outside the United States as well as within the United States.

Mr. **Green**. Yes, related to information gathering in support of interdiction and ongoing investigations.

Senator **DeConcini**. It just occurs to me that it's very difficult to split those functions as a 1973 order mandated and you are following. I don't want to leave any inference that you are not. I think you are doing a great job. You just do the interdiction.

But it seems very difficult for a layman, or at least a former prosecutor, to see how you can stop it at the border and turn it over to one agent, agency, and as soon as it leaves the border, if it does, it picks up to another agency. I know that we have had testimony that it's been difficult for some law enforcement people on different agencies to always know when to stop. I have talked to the directors of your agency and they certainly have a clear order coming down from Washington that you are interdiction only.

How does it work in the field? You known, how do your people, how can they always stop? Isn't there that temptation to follow them on up when you miss them right there on the border, when you have heard from legitimate informants? I am sure you turn it over to DEA, but how do you cope with that?

Mr. NECK. Well, it has been a problem. It has been a problem for quite some time. For most of the patrol officers, it was very difficult for us to work in this type of mode where it was just purely interdiction versus the investigative mode also. But it seems over the years we have learned to cope with it. Although being a purely interdictive mode, you are getting to the point where you are almost solely dependent on other investigative agencies to furnish certain leads to you and follow up investigative reports, both State, local and Federal. But it's worked out very well. Perhaps it could have been better in the years gone by.

There will come a point in time where I am sure the system will be tested once again when the narcotics seizures start to become more evident than they have in the past.

FLOW OF INTELLIGENCE INFORMATION

Senator DECONCINI. When you are on the border like you are, Mr. Neck, with the fine agents that you have, and some of them have been there a long time, they develop certain resources, certain personal relationships with border people. Is it fair to say they have a lot of information on drug traffic coming up through informants and other sources?

Mr. NECK. No, it's not. We get very little intelligence.

The review of our statistics involving seizures and narcotics indicate that very few of our cases are actually made with prior information. We have got some historical data on certain individuals that have been involved in trafficking from many years ago, but the actual prior information-type case is almost non-existent.

Senator DECONCINI. Not too many?

Mr. NECK. We get a few cases. That's one of the frustrating problems. Between the ports of entry, we are pretty confident that we have closed down most of the intrusion points. In the ports of entry it is another problem and it has to be addressed. But very little intelligence exists for that.

Senator DECONCINI. The big case that you do come across—when I say "big," I mean large quantities, is that from intelligence information that comes up prior to just stumbling upon it?

Mr. NECK. No, it's not. If I recall, the largest marijuana seizure that's been made in the State of Arizona has been made by customs patrol officers, about 19 tons. That was cold interdiction.

Senator DECONCINI. You had no prior information.

Mr. NECK. No prior knowledge.

Senator DECONCINI. No previous information about that coming across in a big van?

Mr. NECK. Not at all.

Senator DECONCINI. Just stumbled upon it?

Mr. NECK. Well, I stumbled upon it. We, of course, have a number of techniques we work.

Senator DECONCINI. I don't mean that literally, but you had no sense that anything was coming across?

Mr. NECK. None.

Senator DECONCINI. That's true of the large heroin seizure?

Mr. NECK. The large heroin seizures that we have made in the patrols, about 4½ pounds. That was cold interdiction.

Senator DECONCINI. I have always been onto the information that your big cases, large quantities, are from intelligence reports that your agency has available, and in fact that's why you have had the success of nabbing them.

Mr. NECK. That hasn't been the case.

Senator DECONCINI. You are refuting that, is that true, Mr. Green?

Mr. GREEN. Not all over. It varies. You know, we have had some very big cases. I don't know, a little more descriptive word than "stumbling"——

Senator DECONCINI. Yes. I don't mean that in the literal sense. I mean without developing it prior to the inspection.

Mr. GREEN. We have also made very big cases with information. Heroin seizures——

REDUCTION IN CASE REFERRALS

Senator DECONCINI. Mr. Neck, in 1976 the border patrol and customs referred 53 cases to the Tucson DEA. In 1979 the number of cases referred were zero. What caused the reduction in case referrals, do you know?

Mr. NECK. All narcotic seizures made by the customs service are referred to the Drug Enforcement Administration for whatever action they, in conjunction with the U.S. attorney's office, feel appropriate. If those cases are small, say the value is small, the quantity of the seizure is small, the decision could possibly be made to refer the case to State prosecution. That has happened in many cases where the State has prosecuted. That is a policy that's set up by the U.S. attorney's office.

Senator DECONCINI. That's why the referrals are down?

Mr. NECK. Yes—well, I really could not answer. We don't have statistics available for the referral items and to look into some of those cases. But all of our referrals are made to the Drug Enforcement Administration. From then on, we are really out of the picture.

Senator DECONCINI. Well, if your cases are made, how many do you suppose you made? Do you think you made any in 1979?

Mr. NECK. Calendar year 1979?

Senator DECONCINI. Yes.

Mr. NECK. Yes, I know we did.

Senator DECONCINI. Our records show that in 1976 you and the border patrol made 53, and in 1979 you made none. Do you think you did make some referrals to the DEA?

Mr. NECK. Yes, there were quite a few referrals to DEA.

Senator DECONCINI. Can you furnish us with how many there were?

Mr. NECK. Yes, at a later date.

Senator DECONCINI. Would you send that to us?

Mr. NECK. Yes.

In the calendar year 1979, there was a large heroin seizure referred to the Drug Enforcement Administration. If memory serves me correctly, I believe the case was prosecuted by the U.S attorney's office in Phoenix. Are you referring to just referrals i Tucson?

Senator **DeConcini**. Yes, just referrals to Tucson, or Phoenix. would just like to know what kind of traffic referrals they have i Nogales.

[The information follows:]

U.S. Customs Service,
May 8, 1980.

Hon. Dennis DeConcini,
U.S. Senate
Washington, D.C.

Dear Senator DeConcini: During your recent hearings in Phoenix, Arizona, yo directed a question to our Nogales district Patrol Director, Oran W. Neck, Jr., an asked him to comment on information your committee had that during calenda year 1979 no narcotic referrals were made by the U.S. Customs Service to the U.S Attorney's office. At the time of the hearing Mr. Neck stated that he did not hav those statistics readily available but would provide them for the record. Following research of his office records, the following is Mr. Neck's reply to your questio posed during the Arizona hearing: "Records on file in the Nogales district offic reflect that 201 narcotic cases were referred to the Drug Enforcement Administra tion in calendar year 1979 for whatever action they deemed appropriate. Th records also note that DEA declined any further action on 185 cases; these case were disposed of by either administrative action or referrals to State or loca authorities. The Drug Enforcement Administration accepted 16 narcotic cases fo further investigation and prosecution. Our records do not reflect how many case were actually presented to the U.S. Attorney's Office by DEA for presecution."

I trust this statement fully and completely answers your question. If we can be o any further service, please do not hesitate to let us know.

Sincerely,

John R. Thorne,
Special Assistant to the Commissioner (Congressional Affairs).

HEROIN SMUGGLING

Mr. Green, you talked about the heroin from Mexico and som curtailment of that and how cocaine and heroin are coming fro other than Mexico. Are you finding that there is any heroi coming through Mexico from the Far East and the Near East

Mr. **Green**. Not as yet.

Senator **DeConcini**. Not as yet. What still comes is primaril Mexican or at least the Southern Hemisphere?

Mr. **Green**. Right. We think some of the traffic patterns may b shifting, say coming from South America over through here, lik the cocaine seizure at Laredo.

COCAINE SMUGGLING

Senator **DeConcini**. I missed in your statement, maybe you cov ered this, what is the increase of cocaine coming from across th border? Do you have any way of estimating that based on th seizures you have made?

Mr. **Green**. I don't have a——

Senator **DeConcini**. Tenfold or twofold?

Mr. **Green**. I don't have an analysis. It's increased a lot. We ha over 2,000 pounds last year, nationwide. These are nationwide sta tistics, not just the border.

CASE REFERRALS TO DEA

Senator **DeConcini**. Not just here.

Mr. Neck, I know you have been cooperative with the Arizona Drug Control District and the department of public safety. When you come across a case, I also know that you are directed to work with the DEA. What determination do you make? Do you refer them to everyone, or do you refer them to the DEA and suggest that they take it up with the drug control district, or the State and local people?

Mr. **Neck**. Yes, all Federal cases that are made that involve pure interdiction are referred to the Drug Enforcement Administration.

All of the cases that are made are still referred to the DEA, but a close working relationship with them has helped us in the past defer some of those cases to the State. For instance, if the information originated with the State agency, say the drug control district, there is a prior agreement with DEA that the case would ultimately end up with them for further investigation and prosecution.

RECEIPT OF INTELLIGENCE

Senator **DeConcini**. Do your agents who are assigned to the drug enforcement district, do they receive intelligence information that might indicate something is on the way to the border that has helped make any cases?

Mr. **Neck**. Yes, I do. That's one of the purposes of the officers that are assigned up there at that office. It is to go through some of the reports up there, summarize actions, and the trends and so forth, and try to assist us back at the border. Although it has been encouraging in the last 18 months or so, it's still not up to our expectation.

EPIC

Senator **DeConcini**. How about EPIC? Do you have the same relationship with DEA and EPIC? Do you have people there that can help you spot it as it's coming up to the border?

Mr. **Neck**. Yes, we do. We are rapidly developing a system where we are working with them closely, almost on a daily basis.

It started about a year ago, and we have worked it out pretty well with them. They have worked up some trends for us, and it's just working out very well.

APPROVAL OF CONVOY REQUESTS

Senator **DeConcini**. What do you do when DEA says gee, we don't want you to stop at the border, we would like it to go on there to Phoenix and Colorado, because we know the people that are bringing it up, and we would like to make a case. Who has authority to make that decision?

Mr. **Neck**. The District Director of customs can approve those convoy requests, and we are fully supportive of those requests. The only stipulation would be that we accompany the narcotics.

Senator **DeConcini**. That you participate in it?

Mr. **Neck**. Yes.

Senator **DeConcini**. Has that happened?

Mr. **Neck**. On occasion.

Senator DeConcini. On occasion. Are there any particular problems, Mr. Neck, that are roadblocks that you know of between better cooperation between the Federal, State and local agencies in Arizona?

Mr. Neck. No, none that comes to mind. It's gotten quite a bit better over the last few years.

There were some stumbling blocks in the early 1970's. It was frustrating effort mainly because of the feeling of distrust by some State agencies of the Federal effort.

I think we have expended a great amount of energy trying to convince the State and local authorities that we are really there to help everybody, and it has worked out very well. We have had a number of requests for support and assistance. That has worked out very well with the drug enforcement administration. It's gotten much better than it ever has been.

Right now we are in very good shape, I believe. Our interdiction efforts are alive and well, and I think we are doing pretty good.

Senator DeConcini. Well, I want to compliment you on as well-run office in Nogales, and the cooperation that I know you have participated in.

Mr. Neck. Thank you.

Senator DeConcini. Mr. Green, I thank you for being with us today.

Mr. Green. It's a pleasure. Thank you.

[The statement follows:]

STATEMENT OF WILLIAM GREEN, DEPUTY ASSISTANT COMMISSIONER FOR BORDER OPERATIONS

Mr. Chairman, and Members of the Sub Committee, I am William Green, Deputy Assistant Commissioner for Border Operations, which is responsible for Customs inspectional, investigative, and tactical interdiction functions. It is a pleasure to appear before you to report on current trends in narcotics smuggling and Customs Border Interdiction efforts in response to the threat.

The Overall Drug Threat

The U.S. Customs Service is experiencing a shifting threat with regard to drug smuggling. Southwest Asian heroin is becoming a major threat.

Until recently, Mexico had been the principal source of heroin found in the United States since the disruption of the "French Connection" in the early 1970's. At one time, Mexican heroin accounted for approximately 90 percent of all illicit heroin in the U.S., but 1980 estimates indicate this percentage is down to about 33 percent.

The eradication program in Mexico and emerging heroin supply sources in Southeast and Southwest Asia have cut into the virtual monopoly that Mexican heroin has held on U.S. markets since 1973-4. The heroin threat is shifting away from the Mexican border to the air and seaports of the east and west coasts, away from vehicles to passengers and cargo. The shift will undoubtedly continue for the next one to three years.

Unlike heroin, cocaine originates in a single geographic area - South America. The principal growers of the coca bush are Peru, Ecuador, Bolivia, and to a lesser extent, Colombia. While Colombia is a minor growing area, it is the principal processing and transshipment area for the cocaine hydrocloride destined for the U.S. and Europe.

Cocaine is the social "drug of choice" by wealthier persons not normally associated with the drug world or drug culture. So long as the demand for cocaine remains at its present level or greater, the threat to the Southeast U.S. and major international airports will continue into the 1980's.

Marijuana production is a world-wide phenomenon, with harvests in virtually every geographic area of the earth. However, the major areas of production impacting on the U.S. are Mexico, Colombia, and Jamaica.

Until 1977, Mexico was the major domestic supplier of marijuana. Large loads of cannabis were transported over the contiguous land border separating Mexico and the U.S. or flown over in small general aviation aircraft. However, the Mexican government eradication program, with wide-spread use of the chemical Paraquat, and the resultant publicity over its possible harmful side affects, have apparently resulted in reducing the percentage of Mexican marijuana in the country.

Today, Colombia is the principal source of marijuana. Also, the means of smuggling is now ocean-going freighters, private vessels, and large, multiple-engine general aviation aircraft.

Jamaica has long been a secondary source of highly potent marijuana (ganja), which has been transported to the U.S. via vessel and aircraft. After several years of limited marijuana smuggling from Jamaica, we have seen an increase in production and distribution from this island nation.

Hashish is the resin of the marijuana plant and is generally more potent in THC content than marijuana. Consequently, there is no need to smuggle hashish and hashish oil in massive quantities to obtain high profits. Hashish can be smuggled in much the same way as cocaine and heroin, rather than marijuana. Pound or kilogram quantities of hash and hash oil are the most common loads seized, and the methods of smuggling include commercial and private aircraft and vessels. Jamaica has reemerged during the fall of 1979 as a major source of hashish and hashish oil destined for the U.S. Smuggling on commercial air flights from Jamaica has increased substantially, and a number of U.S. registered aircraft involved in hash smuggling ventures have been seized in Jamaica.

Dangerous drugs do not pose the smuggling threat to the U.S. that existed in the early 1970's. Increased domestic production has lessened the need for foreign manufactured dangerous drugs. While there has been a drop in the amount of drugs smuggled into the U.S. since the early 1970's, the amounts imported remain significant. Large amounts of these drugs are still encountered along the Mexican border, and most recently, in the Southeast U.S. originating from Colombia. The Canadian border is also used to smuggle these drugs into the U.S. inasmuch as it is produced in Canada. However, this source of supply is minor when compared to Mexico and Colombia.

Texas/New Mexico Border

Directing our survey to the Southwest Border, particularly the Texas/New Mexico Border, Customs has received reports of the use of private air to smuggle contraband across the Mexican Border, seizures and evidence of private aircraft landing on highways, clandestine strips, fields, etc. substantiate this smuggling activity. Motor vehicles and commercial aircraft conveyance also are used. Vessel trafficking, followed by private and commercial air are the principal smuggling modes in the Houston Region.

Along this border, Customs seizures have shown a substantial decline in heroin, marijuana and dangerous drug smuggling; however, cocaine remainded steady. A recent DEA report from Mexico City indicates that many of the traditional Mexican heroin trafficking networks are shifting to cocaine smuggling, and using the traditional heroin smuggling mode of conveyance - the vehicle. The primary source for cocaine to this country is South America. Colombia is the principal producer of cocaine; however, cocaine is also produced in Peru, Bolivia and Ecuador. Recent information indicates that Brazil is used as an originating or transit point for the movement of cocaine.

Both number of seizures and amount of marijuana seized in the area decreased in the past two years. One reason for this significant decrease is that most marijuana has traditionally been of Mexican origin and the Mexican Government's marijuana eradication program has been very sucessful, thus eliminating much of the supply. Air and vessel seizures, along with the amount of marijuana seized, have also decreased.

In summary, seizure statistics and intelligence reporting, indicate smuggling by private aircraft will be a continuing threat. Smuggling by motor vehicle is expected to be a near-term threat as underscored by a 40 pound cocaine seizure at Laredo. Since this smuggling method was the primary one for Mexican heroin brought in in previous years, it is expected that a re-emergence of this method may pose a threat next year.

It is highly likely that Mexican heroin and South American cocaine will be the principal commodities smuggled in this manner. A recent report on cocaine trafficking through Mexico indicates that this country is becoming involved in transshipment, with many of the traditional heroin trafficking groups engaging in cocaine smuggling. Trafficking by commercial aircraft can be expected to increase with air cargo and courier methods of operation.

In addition, direct flights from source or transshipment countries associated with Southwest Asian heroin is of concern. A 1980 seizure of Southwest Asian heroin in Dallas, Texas, points up the problem.

California/Arizona Border

Along the California/Arizona Border, private aircraft and vehicles were the traditional modes of conveyance used to smuggle. However, intelligence and seizures reported in the past two years indicate that drug incidents related to commercial air (courier and air cargo) and vessel movements along the West Coast are increasing dramatically.

Current reports and vessel sightings indicate that smugglers normally associated with trafficking from the Guajira region in Colombia are moving a part of their operations to the Colombian West Coast area of Tumaco and Buenaventura. To highlight this movement, the vessel Helena Star was seized approximately 40 miles west of Neah Bay, Washington, with more than 37 tons of marijuana on board. Two other occurrences involved the vessels Samarkanda and Miss Yvette. The first was seized with 33.5 tons of marijuana on board on 22 May 1979 at Sidney Inlet, British Colombia. The latter, the Washington-based Miss Yvette, was approached on 23 July 1979 approximately 200 miles west of Santa Cruz, California, with an estimated 10 to 25 tons of marijuana on board. In this incident the crew had scuttled the ship, but not before U.S. Coast Guard personnel seized 14 bales of marijuana from the vessel.

Focusing on heroin alone, Mexico is the closest source country to the United States, but there has not been much evidence that it is still coming across the border in large amounts. There has been, however, a small amount of Southeast Asian heroin coming in through Los Angeles International Airport. The airport is also expected to eventually be a target of Southwest Asian heroin smuggling. Some measure of the extent of smuggling in the area is indicated by the large heroin seizures reported in Fullerton, California. It resulted from information provided by confidential informant. Customs officers and DEA agents located a stash site of 121 pounds of heroin, 49 pounds of morphine, and 30 pounds of cocaine.

Based on seizure statistics, commercial air is apparently the preferred means of smuggling cocaine. Couriers are carrying between 1 and 5 kilos either bodily or in handbags/suitcases. Most of the cocaine coming into the region originated in Colombia.

Traditionally, most marijuana smuggled into the region has come across the Mexican Border. However, recent intelligence reports and seizure data indicate that an increasing amount of marijuana is coming from Colombia. In addition to the Mexican Government's eradication campaign, shifting of smuggling operations from the Guajira to the West Coast of Colombia is a factor. The Colombian shift has provided multi-ton "mothership" loads to the United States West Coast.

Incidentally, the quantity of domestically grown marijuana has increased significantly in recent months. This variety (sinsemilla) is reputed to yield a higher THC content (up to 17 percent) than any other variety grown to date and is very much in demand at the street level.

Summarizing these diverse trends, we note a constantly changing smuggling environment during the past two years. Smuggling by private aircraft and motor vehicles previoulsy were the leading trafficking modes. Currently vessels and commercial air (courier and air cargo) are increasingly used for smuggling. With regard to vessels, the shift apparently is due to the increased enforcement efforts by Colombian forces in the Guajira and U.S. Coast Guard forces in the Caribbean and Atlantic.

For the near term we expect vessel activity, including mothership and small boat trafficking from the West Coast of Colombia, to continue. There will continue to be smuggling by commercial and private aircraft. With regard to private aircraft, it is possible that mixed loads of drugs, such as cocaine and methaqualone, or single loads of either will emanate from South America. Recent information also indicates that there has been a substantial marijuana harvest in Mexico and as a result, private air craft will be a near-term threat.

Arizona

Intelligence available to both Customs and DEA for Arizona reveals marijuana, cocaine and methamphetamines are readily available throughout the state. Heroin from European, Southwest Asian and Asian sources was until recently thought to be in short supply, if not unavailable. However, on March 20, 1980, DEA in conjunction with Customs seized over 3 pounds of 85 percent pure Southwest Asian heroin in Phoenix. While this particular seizure is believed to be the first of its kind in Phoenix, it indicates the potential for both a market and availability. Also, brown heroin will continue to cross from Mexico to the United States via ports of entry.

Marijuana is believed to be readily available throughout the state. DEA estimates an increase in the availability of Colombian marijuana due primarily to a bumper harvest season in 1979. Mexican marijuana should, however, continue to predominate due to Arizona's proximity to Mexico. The majority of marijuana is believed to enter the state by vehicle with some being smuggled by private aircraft.

According to reports, cocaine is readily available, particularly at major population centers such as Phoenix and Tucson. Phoenix's Sky Harbor Airport may be a principal penetration point for the movement of cocaine into the state. Ounce quantities of cocaine are believed to sell from $1800-2500 per ounce with a purity ranging from 10-90 percent.

Heroin from European, Southwest Asian and Southeast Asian sources was until recently considered in short supply if not unavailable. However, the recent March 20, 1980, seizure of over 3 pounds of Southwest Asian heroin in Phoenix may require a reassessment in terms of threat relative to European, Southwest Asian and Southeast Asian heroin trafficking in Arizona and, in particular, Phoenix. The events surrounding this particular seizure indicate the complexity of the problem and are summarized as follows:

> While examining an Iranian passenger arriving at O'Hare International Airport in Chicago, an Immigration officer discovered two air waybills which disclosed personal effects shipments due to arrive in Phoenix from Kuwait. When asked about the shipments, the passenger became noticeably anxious. The Immigration officer passed copies of these bills to the Customs Enforcement Team. Research by the team through the airline's computer disclosed one shipment had arrived in Phoenix, on February 28, 1980. The other shipment was due in Chicago on March 13, 1980. The team contacted our Staff in Phoenix to advise them on the situation and asked them to check on the earlier arrival.
>
> On March 13, 1980, the shipment arrived in Chicago. It was held for examination by the team. Subsequent examination disclosed 3 pounds of heroin secreted in the lining of a Samsonite suitcase. The Phoenix Enforcement Team was advised of the discovery and assisted in

making arrangements for a controlled delivery by Chicago DEA agents to two known heroin dealers in Phoenix, Arizona.

The controlled delivery was made by DEA on March 20, 1980, resulting in the arrest of four individuals, the seizure of two automobiles, 5 additional ounces of heroin, 1 pound of opium, 2 pounds of hashish and a small quantity of cocaine. Three of the four individuals arrested are considered as principal heroin dealers in both the Phoenix and Los Angeles areas.

Cooperation with DEA and Other Federal Agencies

With the implementation or reorganization Plan No. 2 on July 1, 1973, the Customs authority to investigate controlled substance violations and to act as a primary agency for collection of narcotics related intelligence in foreign areas was transferred to the newly formed Drug Enforcement Administration (DEA). It was soon recognized that reduction in available intelligence had an adverse impact upon the Customs narcotics enforcement effort. To counter this adverse impact, Customs and DEA entered into negotiations to clarify the role of each agency in the national drug enforcement effort. On December 19, 1975, the Commissioner of Customs and the Administrator of DEA jointly issued a Memorandum of Understanding which clarified the relationship and responsibility between the two agencies. The Memorandum reaffirmed Customs role as the agency with primary responsibility for interdiction of all contraband, including drugs, at land, sea, and air borders of the United States. DEA has primary responsibility for investigation and intelligence gathering related to drug smuggling and trafficking. Each agency agreed to expeditously furnish drug-related smuggling intelligence to the other.

A subsequent agreement between DEA and Customs authorizes Customs officers to conduct debriefings of individuals arrested or detained for narcotics violations in those cases where DEA will not accept custody of, or expresses no operational interest in the individual, in an attempt to develop data to support our narcotics enforcement responsibilities.

To increase the flow of intelligence from DEA, Customs established representation in the El Paso Intelligence Center (EPIC) in April 1976 and has since increased its personnel committment to the point that it now has the second largest number of individuals assigned. In addition, during April 1976 Customs detailed an Intelligence Specialist to DEA Headquarters and has maintained continuous representation within the DEA Office of Intelligence since that time. As a reciprocal measure DEA detailed a representative to the Customs intelligence component in January 1980. Customs and DEA conduct almost-constant evaluation of the exchange of enforcement data and are always seeking methods to improve both the quality and quantity of intelligence available with regard to the narcotic enforcement effort.

At the beginning of FY 79, Customs established an objective of increased enforcement effectiveness, with regard to cocaine from Colombia in particular. This effort was identified as the Narcotics Intelligence Priority (NIP) program and was expanded to a task force consisting of Customs, DEA Headquarters and EPIC. During the course of the program, Customs representatives traveled to Colombia to brief in-country DEA officials regarding NIP and to establish more effective channels for the exchange of intelligence pertinent to the project. One aspect of this program was the detailing of a Customs special agent to the DEA office in Bogata, Colombia. A formalized spot requirement procedure was also developed in order to establish a method to levy intelligence requirements for near real-time collection and reporting.

During the past several years, numerous special enforcement efforts have been directed against the illicit traffic from South America, which passes through the Caribbean and enters the Southeastern U.S. Operations such as GULFNET, BULLRING, STOPGAP, SNOWBIRD, and BOOMER FALCON are familiar to Customs, DEA and Coast Guard personnel, since each of the operations was a joint effort involving all of the agencies. Much of the coordination was accomplished through EPIC. Other cooperative efforts are non-operational, such as the publication of reference materials for use by enforcement officers and intelligence collectors. One example of such a product is the "Vessel Identification Handbook" a joint effort by Customs, Coast Guard, DEA and EPIC.

Among many cooperative endeavors, one of the most significant is the Integrated Airport Program, initiated on November 20, 1978. This program combines the expertise of both agencies by standardizing procedures for enforcement activities at international airports and fostering a closer working relationship between Customs officers and DEA special agents. The program includes crosstraining of personnel and intensified intelligence liaison to assure timely exchange of tactical data. The program seeks to establish profiles for selective application against cargo as well as passengers and includes coordination with Assistant Attorneys in order to improve the potential for successful prosecution. The results of these cooperative efforts are reflected in the narcotics seizure statistics for CY 79. Because of these efforts and Customs' unique role and authority with regard to border search, Customs interdiction efforts remove significant amounts of illicit narcotics before they reach the domestic market.

In addition to the growing cooperation among Federal agencies, which has certainly improved the overall effectiveness of the narcotics enforcement effort, Customs has undertaken on a priority basis a Currency Enforcement Program. Under the program, Customs is investigating criminal activity for narcotics trafficking, related to the Bank Secrecy Act. Major drug traffickers transfer enormous sums of money, generated by their criminal activity, estimated at some $35 billion, through financial institutions. Regularly these monies are then smuggled into or out of the United States without being properly reported.

In 1970, Congress enacted the Currency and Foreign Transactions Reporting Act to counter the use of secret bank accounts and unreported currency transported by drug traffickers, as well as other criminals. The aggressive enforcement of this law provides the Federal law enforcement community with a unique and powerful tool to disrupt drug trafficking. Through ongoing financial investigations, Customs has made inroads into disrupting such organized groups. I would like to describe two recently concluded significant cases which, I believe, demonstrate the kind of disruptions these investigations can achieve:

> A case was initiated in Southern California based on the analysis of currency transaction reports, which showed frequent cash deposits of $200,000 to $800,000 in a local bank. An investigation revealed that the bank account was in a fictitious name. The account served as a means of funneling proceeds from the sale of narcotics to secret bank accounts in Mexico. After a 2-year investigation (jointly conducted by Customs, IRS and DEA under the supervision of the United States Attorney), involving the tracing of transactions of about $31.5 million, a 300 pound per month heroin trafficking conspiracy was broken. A Grand Jury indicted 21 members of the group, including

the 5 key members of the organization who were charged with felony currency conspiracy. Other charges included narcotics trafficking and tax evasion. The organization's leader was sentenced to 35 years imprisonment for currency and income tax violations as well as a concurrent 15-year sentence for narcotic violations, and assessed $1.2 million in fines.

The second case also shows the enormous resources available to the traffickers. It opened on October 16, 1979, when two persons requested an armored transport firm in Los Angeles to ship 17 envelopes valued at $3.2 million to Miami, Florida. The lack of any shipping documents awakened the suspicions of the firm. Suspecting it was a narcotics shipment, the firm contacted a State of California narcotics officer who examined the envelopes with a narcotics detection dog. The dog alerted and tore open an envelope disclosing a large amount of money. The unopened envelopes were then sent to DEA who requested the assistance of Customs. The Miami bank was contacted and stated that the funds were merely a bank-to-bank exchange from Panama to Miami. However, a review of bank records and a preliminary investigation in Panama revealed that the money is proceeds of a drug smuggling organization. In cooperation with DEA, the investigation continues.

Customs does have a key role in the enforcement of the Act and in the collection and analysis of financial data. We are using the financial data to institute felony conspiracy cases against major organized crime syndicates.

Customs Enforcement Statistics

In terms of results, Customs seizures during 1979 exceeded $2.2 billion worth of street value drugs. Heroin seizures were over 200 pounds, while cocaine had increased to over 2,200 pounds. Marijuana seizures continued at a high level, reaching some 3.4 million pounds. The trend in Customs seizure statistics can be traced from the tabulations for 1977 through February 1980 provided to each of you.

My colleague, Mr. Oran Neck, will focus on the local picture. Mr. Neck is Director of Customs Patrol in the Nogales District, covering the entire state of Arizona and the southern tip of Nevada.

		CY 78		CY 79		CY 80 (Jan, Feb)	
		Nogales District	Phoenix Port	Nogales District	Phoenix Port	Nogales District	Phoenix Port
HEROIN	NUMBER OF SEIZURES	10	0	9	0	1	0
	QUANTITY SEIZED (LBS)	.4	0	5.1	0	*	0
COCAINE	NUMBER OF SEIZURES	10	0	27	5	0	0
	QUANTITY SEIZED (LBS)	4.1	0	3.6	.8	0	0
HASHISH	NUMBER OF SEIZURES	8	0	15	0	2	1
	QUANTITY SEIZED (LBS)	.2	0	4.8	0	*	*
MARIJUANA	NUMBER OF SEIZURES	198	1	220	15	26	5
	QUANTITY SEIZED (LBS)	10,420.1	*	3,691.3	103.1	152.3	16.1
OPIUM	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
MORPHINE	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
OTHER DRUGS, BARBITURATES & LSD	NUMBER OF SEIZURES	44	0	55	4	19	11
	QUANTITY SEIZED (TB)	1,331,900	0	192,916	251	4,617	525
MONETARY INSTRUMENTS	NUMBER OF SEIZURES	1	0	7	2	0	0
	DOMESTIC VALUE ($)	$350	0	$99,851	$52,000	0	0

(An * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

		National		Region VI		Region VII	
		Patrol Officers	Inspectors	Patrol Officers	Inspectors	Patrol Officers	Inspectors
HEROIN	NUMBER OF SEIZURES	25	86	0	9	12	32
	QUANTITY SEIZED (LBS)	16.5	109.8	0	29.2	9.7	37.1
COCAINE	NUMBER OF SEIZURES	140	494	9	51	16	136
	QUANTITY SEIZED (LBS)	557.8	891.4	47.1	70.1	24.1	247
HASHISH	NUMBER OF SEIZURES	149	934	5	89	9	68
	QUANTITY SEIZED (LBS)	2,790.9	17,915.8	*	24.8	132.5	10,114.3
MARIJUANA	NUMBER OF SEIZURES	1,310	9,974	180	1,924	113	1,107
	QUANTITY SEIZED (LBS)	4,509,699.2	71,544.1	247,485.2	48,310.7	16,587	2,351.6
OPIUM	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
MORPHINE	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
OTHER DRUGS, BARBITURATES & LSD	NUMBER OF SEIZURES	156	1,904	9	297	18	318
	QUANTITY SEIZED (TB)	11,920,871	5,954,775	106,998	244,716	6,624	5,101,723
MONETARY INSTRUMENTS	NUMBER OF SEIZURES	468	301	5	10	1	64
	DOMESTIC VALUE ($)	$6,216,195	$5,671,601	$77,812	$144,804	$169	$1,298,525

(AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

CY 78

CUSTOMS SEIZURES

		National		Region VI		Region VII	
		Patrol Officers	Inspectors	Patrol Officers	Inspectors	Patrol Officers	Inspectors
HEROIN	NUMBER OF SEIZURES	23	79	1	4	7	21
	QUANTITY SEIZED (LBS)	117.2	84.6	.2	13.1	104.7	5.3
COCAINE	NUMBER OF SEIZURES	178	550	9	46	37	140
	QUANTITY SEIZED (LBS)	1,170.4	903.6	.2	67.4	84.5	167.2
HASHISH	NUMBER OF SEIZURES	201	1,060	4	113	12	145
	QUANTITY SEIZED (LBS)	47,672.1	4,049.9	.1	65.7	4.8	1,257.9
MARIJUANA	NUMBER OF SEIZURES	1,573	8,754	186	1,231	129	1,377
	QUANTITY SEIZED (LBS)	3,331,935.9	110,820.1	107,013.2	2,451.8	23,188.3	17,596.1
OPIUM	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
MORPHINE	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
OTHER DRUGS, BARBITURATES & LSD	NUMBER OF SEIZURES	181	1,935	18	240	34	531
	QUANTITY SEIZED (TB)	21,052,641	996,872	254,770	725,130	9,354,050	179,512
MONETARY INSTRUMENTS	NUMBER OF SEIZURES	670	745	6	25	14	104
	DOMESTIC VALUE ($)	$9,800,765	$12,004,555	$189,150	$414,543	$373,218	$2,005,432

(AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

CY 79

CUSTOMS SEIZURES

		National		Region VI		Region VII	
		Patrol Officers	Inspectors	Patrol Officers	Inspectors	Patrol Officers	Inspectors
HEROIN	NUMBER OF SEIZURES	3	10	1	1	2	3
	QUANTITY SEIZED (LBS)	1.1	71.3	*	4.7	1.1	*
COCAINE	NUMBER OF SEIZURES	21	84	0	8	0	11
	QUANTITY SEIZED (LBS)	72.4	478.7	0	.9	30.9	57.2
HASHISH	NUMBER OF SEIZURES	36	137	0	22	1	10
	QUANTITY SEIZED (LBS)	95.2	3,206.2	0	.1	*	13.4
MARIJUANA	NUMBER OF SEIZURES	260	1,405	29	168	15	164
	QUANTITY SEIZED (LBS)	461,178.3	30,278.0	46,283.9	370.1	1,022.7	498.9
OPIUM	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
MORPHINE	NUMBER OF SEIZURES						
	QUANTITY SEIZED (LBS)						
OTHER DRUGS, BARBITURATES & LSD	NUMBER OF SEIZURES	39	273	4	46	15	81
	QUANTITY SEIZED (TB)	4,379,939	2,066,887	44,212	2,205	6,385	2,060,004
MONETARY INSTRUMENTS	NUMBER OF SEIZURES	59	107	0	10	0	18
	DOMESTIC VALUE ($)	$770,812	$2,762,667	0	$275,795	0	$1,227,824

(AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

CY 80
(Jan, Feb)

CUSTOMS SEIZURES

STATEMENT OF:

DR. LEWIS KURKE, ASSISTANT DIRECTOR, ARIZONA DIVISION OF BEHAVIORAL HEALTH SERVICES

MICHAEL SCHWEGLER, EXECUTIVE DIRECTOR, CODAMA SERVICES, PHOENIX, ARIZ.

LINDA CARHART, EXECUTIVE DIRECTOR, ARIZONA FAMILY

ACCOMPANIED BY YALE SIMONS

Senator DeConcini. Our next panel will be Dr. Lewis Kurke, Michael Schwegler, Yale Simons, Linda Carhart and clients.

Mr. Kurke, please proceed with your statement. We will put in the record the full statement, and if you will summarize it for us.

SUMMARY STATEMENT

Mr. Kurke. Mr. Chairman, the division of behavioral health services of the Arizona Department of Health Services welcomes this opportunity to testify on drug abuse treatment and demand reduction to your committee.

I am Dr. Lewis Kurke, assistant director of the Arizona Division of Behavioral Health Services. The division is responsible for operating the Arizona State Hospital, the Southern Arizona Mental Health Center and, by contract with nonprofit service corporations throughout the State, providing drug abuse, mental health, and alcohol treatment, rehabilitation, and prevention. We chose in this State to develop almost all drug abuse treatment capabilities through contracting with nonprofit corporations, municipalities, and tribes. We have directly held contracts with drug abuse agencies through which are spent, for a total of 11. Subcontracts from these 11 contractors account for another 40 contracts for drug abuse services alone.

Currently we are spending $4,197,398 for services. Of that, $2,443,600 is State appropriated or generated by court fines; $1,753,000 is derived through the National Institutes of Drug Abuse. State law mandates a 50-50 matching ratio in contracting; therefore about an equivalent amount of money is raised locally by agencies to match the State and Federal support.

We have established programs to serve people in all of the 14 counties.

From July through December of 1979, 3,300 individuals were served. We expect to serve more than 5,000 for the entire year. We have just requested, and the State legislature has approved, an increase of half a million dollars in drug abuse appropriations, to a total of $2,921,300. These funds are provided to maintain our capability for the treatment of heroin abuse and to increase our services to other special populations abusing other drug substances.

We share the national decline in numbers of heroin abusers. But we believe this is a cyclical decline, and we are very concerned that we might lose the existing capability for heroin treatment. At the same time, although we have dedicated most of our resources up to now to the treatment of heroin abuse, we would like to expand our activities to deal with the prescription drug abuse problem which is becoming more and more significant in our senior population and among women, and in combinations of drug and alcohol abuse, in order to conform to what our agencies and our contractors tell us is more and more the problem that they are having to deal with.

In addition, we have, as you know, a particular problem that is not shared throughout the rest of the country with toxic inhalants, typically abused by Hispanic groups and by Navajo youths inhaling gasoline. No lead may help more than our treatment programs at this point, but this is a significant and dangerous toxic abuse problem in this State.

Among the aged, we have problems of prescription drug abuse due to incomplete awareness by both patients and some of their physicians of the side effects of medication and multiple prescription use. Prolonged use of another marriage partner's prescription or sharing of drugs from one friend to another also complicates the problem of multiple prescriptions.

But the compartmented approach that the Federal Government has required for funding of these abuse problems has contributed to some of our difficulty in multiple alcohol and drug abuse problems. We would certainly appreciate improved opportunities for focusing our funding from the three institutes on multiple abusers. To simplify those issues, we are piloting an attempt here to use our fines money, with which there is some flexibility, for approaching the problem of the multiple substance and alcohol abusers. We have a TASC program that's been in operation for several years with the department of corrections.

TASC organizations are now operating both in Maricopa and Pima Counties and will soon be operational in counties in Coconino and Yuma Counties.

In all cases, the department of corrections contract agencies have organized TASC at the community level. These TASC's refer clients into the system of care which was already developed by our division's support, and therefore we can, I think, point to improved opportunities for cost effectiveness for the use of budgeted funds, since we are coordinating our efforts and our support with the department of corrections.

In turn, our division has provided drug abuse funding from NIDA to the department of corrections for the specific development of treatment programs at our Florence Prison and at the women's prison in Phoenix.

Our outcome studies are rather interesting. Some 1,900 people have been treated through the TASC operation. Recent Evaluation of the Maricopa TASC over a 2-year period offered some suggestive findings. TASC reports of the client's progress or lack of it influences the judges in the superior court regarding decisions for or against probation of successful participants who are incarcerated. Participants earn shorter average prison stays than either unsuccessful TASC participants or nonparticipants. Financial penalties levied were lower than for unsuccessful participants or nonparticipants. At least 16 percent of admissions to drug abuse treatment in Phoenix are the result of TASC referrals.

Self-referrals are the only referral source that exceeds TASC originated referrals.

Regarding cost effectiveness, the TASC pretrial intervention program suggests that there may be savings of perhaps $400,000 to $560,000 a year in Maricopa County alone as a result of this program. Pima TASC shows similar results. In addition, in Pima, they found that while enrolled in the TASC program, the recidivisor rate for clients is under 3 percent. Also, 38 percent of those admitted were receiving drug treatment for the first time.

The average age of women addicts in prison is increasing over the past 5 years. We also operate the Arizona Substance Abuse Information Center to provide educational information to individuals and agents.

A total of about $240,000 a year is spent in support of these programs, but they are, in spite of their difficulty in evaluation, documentation, and because of competition for direct treatment services, it's always very tough to go, for prevention rather than treatment.

We have, I think, established a consistent record of support for prevention activities. Under the philosophy that communities have resources that need to be positively developed with young people, with the assistance of the division's prevention resources, we have established our channel one program, jointly funded by our division and NIDA, which will involve whole community groups, adults and youths, working collaboratively with the business community to plan and implement very specific prevention programs for youths in very particular communities.

The current funding level, as I say, is a little over a quarter of a million dollars on an annual basis. In previous contract years our actual expenditures for prevention were under $100,000.

Two projects, the Barrio youth project and the Tucson awareness house are described in testimony. In both cases we are trying to develop outcome evaluation programs and instruments, because in the entire field of drug abuse prevention, there has been very poor development of such evaluative tools.

Our division has operated a need-assessment survey in order to determine the needs in four discrete areas of the State compared to the general national figures. We found that we are part of the United States, and our needs are not too dissimilar. In fact, if anything, we appear to have a significantly larger need for services in multiple substance abuse and combined drug and alcohol services.

We have also devoted a fair amount of attention to evaluation of our services to our clients in our community programs. In a recent client outcome study, the number of clients using drugs decreased by 36 percent after 90 days of intensive treatment.

Other similar studies showed that employment rates for drug clients who were studied increased by 9 percent during the 90-day period. Drug abuse clients who drink increased 3 percent, from 56 to 59 percent from entry to followup, adding further emphasis to the need for mixed treatment support because of the association of substance abuse with alcoholism.

An additional difficulty that we found in working with our major funding sources in the three institutes are inconsistencies in data requirements. The basic problem begins with when you must initiate reporting of an NIAAA client after the initial contact, NIMH for clients entering treatment, and NIDA, only after the client has received the first service.

The intake form on all systems collects social and demographic information. However, the number of questions needed to obtain the information vary significantly.

Social demographic information requires answering 14 questions for NIAAA, 8 for NIDA, and 6 for NIMH.

Hot news right off the press. I understand the President's altered budget submission in March of this year has threatened us with a cut of all NIDA formula money. The significance of this cut to CODAMA, Mr. Schwegler's organization here in Maricopa County would be cut $15,000 current year funds, and $15,000 of next year's funds from his contract budget from our agency.

The Intermountain Behavioral Agency would be cut a similar amount. The Southeastern Arizona Mental Health Agency would be cut 70 percent of their drug funds; $94,000 by this reduction in the formula grant to Maricopa County, a small cut, only $20,000, but funds directed to the inpatient detoxification of heroin addicts in this county. And Yuma County would lose their entire drug abuse budget, all of which comes out of NIDA formula money.

We want to caution the committee that we are hanging on the brink of a very significant cut in our resources.

In summary, sir, I would like to say that we are pleased to have had the opportunity to present our story. We think it critical that we not lose our ability to maintain a stable network of heroin treatment services until we get a further look at the possibly cyclical nature of return of the drug.

The Arizona Legislature has increased our support for drug abuse treament prevention, rehabilitation, and education with a half-million-dollar increase in our State budget for 1980-81. We believe that changes in the Federal funding pattern is in order if we are to improve our coordinated services to multiple substance abusers.

The Federal Government must eliminate the inconsistencies in data gathering and data reporting among the three institutes.

We believe that special populations, specifically youths, the elderly, women, individuals who are prisoners of our department of corrections require increased and specialized program services.

Prescription drug abusers in all age ranges, especially the elderly, need specially designed services as well.

Our prevention activities have increased and will continue to increase with the collaborative efforts and planning of local community groups. We continue our educational efforts on the availability of data to our contractors and other interested citizens in the State.

We need to continue to improve our evaluation data if we are to provide the kind of accountability to the Congress and to the State legislature that we think necessary to continue good services.

Thank you, sir.

Senator DeConcini. Mr. Schwegler.

CODAMA FUNDING

Mr. Schwegler. My name is Michael Schwegler. I am the executive director of CODAMA Services here in Phoenix. We are, as a matter of fact, the largest drug agency funded by Dr. Kurke and the department. And our responsibility is to deliver services to the Greater Phoenix area and Maricopa County.

Senator DeConcini. What is your budget?

Mr. Schwegler. Pardon me?

Senator **DeConcini**. What is your total budget?

Mr. **Schwegler**. Our total budget, from all funding sources, local, State, and Federal, is $3.3 million. Of that, approximately $2 million is State and Federal dollars, formula money.

Senator **DeConcini**. $2 miliion is State and Federal?

Mr. **Schwegler**. $2 million is State.

Senator **DeConcini**. How much of that is Federal?

Mr. **Schwegler**. Approximately $1.15 million is Federal, and about $900,000 is State matched to that Federal and other State dollars.

Senator **DeConcini**. OK.

SUMMARY STATEMENT

Mr. **Schwegler**. As I say, we pretty much have about 50 percent of the funds coming into Arizona from the Federal Government at this time for drug abuse services.

I have been involved in the treatment of drug abusers for some 16 years, since 1963. I have seen the cyclical trends that heroin in particular has taken, both on the east coast and here in Arizona. I think what is especially disturbing to me in the course of these 16 years is the most recent trends where we were predominantly concerned about hardcore heroin abusers and then a little later, our middleclass heroin abusers, cocaine, and your synthetic opiates. There is now, I would consider on a community base, an epidemic proportion of substance abuse in the areas of tranquilizers, barbiturates, and their mixture with alcohol.

There has been some decline in the treatment of the heroin addict, though there are very new indications within the past few weeks that the purity of heroin has increased significantly.

There is also a distrubing sign in some comparative statistics that were recently given out by the Arizona Republic, our local paper. If you take the years 1971–73 as being epidemic times in what was considered the drug problem, the availability of drugs is reflected by teenagers interviewed by the Republic. It's a rather extensive, and is a rather extensive needs assessment that they do every 2 years, show that in 1971–73, 4 to 5 percent of teenagers admitted that they had taken heroin. In 1979, 13 percent say that they have taken heroin. Much more disturbing is their perception of the extent of the problem which has increased significantly.

In addition, we have very strong indications up in the Sun City area and the central Phoenix area, and down in the Leisure World area in the southeast area of our country that there are significant problems with the elderly either misusing, unknowlingly misusing prescription drugs, or knowingly using those prescription drugs in combination with alcohol.

Dr. Kurke refered to a problem that he encounters at the State level that we encounter perhaps in a more sensitive way at the local level, and that is the reporting systems that have been placed upon us by the three mental health and substance abuse agencies, NIDA, NIAAA, NIMH. It's getting to seem that, and I hate to use the word game, but it is almost at a game-like level to try and determine what category an individual who is a polysubstance abuser falls into. Is he an alcoholic, is he a secondary problem with drugs, or vice versa. That determination, unfortunately, is made, in order to extend treatment to the individual, is made on where are the most dollars coming in and who do we have to satisfy in order to continue the flow of dollars.

We have seen significant problems—and we fund a program in south Phoenix that has a waiting list at the current moment of some 14 young people—the problem of inhalants, adhesives, glues, a real problem especially among the Mexican American community, not just in the Greater Phoenix area, but in the Tucson area and down in the Yuma area.

There are additional problems that we have found in abused women. Many, many of them either their spouse or they themselves have recently become involved in polysubstance abuse or alcoholism.

I think the bottom line of our needs can be expressed in these few succinct points: There needs to be the funds available and the commitment at the Federal, that there is at the State level, to continue and maintain the availability of treatment for the chronically addicted individual.

We need to develop an increase in services to the significant cross section of society requiring short-term treatment, the youth, the elderly, women.

We need to design and initiate programs to address specific populations.

We need to develop prevention programs. Currently CODAMA provides a prevention program in Maricopa County that touches upon 15,000 young people.

In the brief evaluations that we have been able to do over the past 2 years, and they are ongoing, we have seen significant changes in the behavioral attitudes of these individuals in the classroom and among their family members. These are the individuals who developed the high risk, and not early intervention types that need treatment down the line. We need to intervene in high-risk groups. Again, I mentioned youth. We need to provide prevention.

Prescription drug users need to be addressed, and even widowed and the bereaved, in prevention programing needs to be addressed with some specific programs before they lapse into a condition that needs either mental health or substance abuse intervention services.

I would like to comment very briefly on the partnership that has developed, a working partnership that I find to some extent unusual, because there always seems to be some animosity between the two groups, except here in Arizona, and that is among the law enforcement officials of this State and the Federal, State, and local and drug treatment programs. There has been good cooperation on both sides, whether it be to help in the treatment of an individual, or help pinpoint individual areas where there seems to be a significance of an availability of drugs.

I'd like to reiterate that this is, I think, a very positive aspect in a joint effort in trying to limit drugs in Arizona.

Thank you.

Senator DECONCINI. Thank you very much. Now, do we have anyone else here who wants to testify?

Ms. CARHART. Yes, we do.

Senator DeConcini. Do you want to pull up some more chairs? That's fine.

SUMMARY STATEMENT

Ms. Carhart. My name is Linda Carhart and I am executive director of Arizona Family, which is a long-term residential treatment program for drug and substance abusers. And first, I'd like to say that I am an ex-drug addict myself. I have been clean for a total of 7 years now.

I thought after meeting with Mr. Chunta, the best service given the time period that we have today was that I could bring you to inform you was, I sat down with 10 clients that are currently in treatment and got some data from them as to their problems. There were about 10 different questions I went through. First of all, with the 10 different clients I sat with, the years of usage ranged from 3 to 20 years. There were five women and five men.

One of the women had started using after she had begun a family life, and had two children of her own. She began after having surgery which developed into an addiction on the pills. The doctor who did the surgery kept her on the pills for quite a period of time, which started her into the lifestyle of a drug addict. From there, it continued until she lost her family. She is now on probation, committed to a drug program.

Another person I spoke with started using drugs at the age of 27.

Another one that I spoke with started using when a relative of his, who is a highway patrolman, started by giving him speed tablets, which led into his drug usage.

And about four of the other ones, primarily started because of the environment that they were brought up in.

I asked all of them specifically when did their criminal behavior begin. All 10 stated that it was after their drug problem had started, not prior.

We talked about means of support in terms of how they supported their habits. Primarily it was dealing drugs, robbery, running the board, illegal prescriptions, making doctors, and burglaries. All 10 though did express that they had more than one means of supporting their habit at any given time. That is, their expression, to me, was that it was not safe just to have one hustle, so to speak, going on; that they needed to have more than one.

The drugs mainly that came out of the 10 of them that were used and abused were heroin which was used by all 10. Speed was used both in the form of the pill and in crystal, which is the powder form. All of them had expressed quite an indepth use of pills, ranging from Dilaudid, Percodan, to sleeping pills, and tranquilizers.

When we got to discussing the usage of the pills, it was definitely that the usage of pills came because of the quality of heroin being so low.

By going to a doctor and getting, say a prescription for 40, you could sell one pill for $50. So that half supports your habit; and you make a little money until the next time you go back to the doctor, which is becoming a pretty popular thing in terms of our heroin addicts. We are not seeing heroin users as much because they are turning to the pills.

All 10 persons are on probation. A couple are on both probation and parole.

Five reported using doctors for their addiction for a long period of time. Four reported that they did use the border, up until lately, and it has become harder to cross the border. Therefore, they seek other sources to support their habit.

Now I asked the clients from their point of view right now, while in treatment—and these were all clients that have just come into treatment within the last, say 2 weeks to 4 months—what their view of the street problem is? It was that pills are definitely replacing the heroin, because of the quality of the heroin. They do read the papers. They do read magazines. They are hearing about the supposed-to-be influx of white heroin coming in, and personally they all expressed that they are very scared, recognizing that they are very weak people.

Second of all, they talked a lot about how speed is on the uprise. There is a larger quantity of speed available. It is their feeling that persons are turning to using speed again, because heroin is down in quantity.

About half of them spoke of the high usage—more recent in the last couple of years—of alcohol in combination of the pills that they were taking. Again, because it makes the high more pleasant; you get higher. You get more mellow. It's more—it begins to make the person feel like they are just on heroin with the two in combination.

The all expressed to me that they know because of their ages and such that they are very concerned with the problem in the high schools. They see it as being, you know, far worse than it was 5 to 10 years ago when they were in high school.

They being adults and having experience, however, express a lot of concern, and they wanted me to relay this today, because they are very concerned about what is happening in the high schools. They see that generation being a larger problem area in terms of drugs than their own.

Of the 10 that I talked to, 5 have served time in Arizona State Prison. Three out of five had continued their usage while they were in the institution. All five did talk about the availability of the drug. Some of them even said it's more easy to get than on the street, in terms of the availability.

I also asked the clients their personal point of view of treatment, and I was given the response that drug is a dependency. The people need to be pressured into treatment.

The people, because of the state of mind the drug creates, think like I am OK, nothing is wrong. They see no way out of the lifestyle they are involved in. Maybe suicide; giving up, put me in prison, because I don't know how to get out of it.

That has a lot to do with why they think people need to be pressured into treatment. They also felt there had to be a better control on quality of treatment, intensive treatment needed both for outpatient and residential. Treatment is seen by these persons as an alternative to prison.

Now, for our program alone, which just represents a small component of the total programs in Maricopa County, for the three-quarters of the year 1979, Triangle Research, which interviews all of our clients at the date of admission, came up with 53 percent have been arrested for a drug related charge; 15 percent have been arrested for a victimless crime: prostitution, gambling; 22 percent have been arrested for robbery; 71 percent have been arrested for income-generated burglary, fraud, larceny; 42 percent have been arrested for crimes such as homicide, assault; and 64 percent have been arrested for auto theft, vandalism, and vagrancy.

Out of our research, also in terms of the drug usage, 23 percent were using herion daily, 16 percent were using a narcotic such as Dilaudid, Percodan and such daily; 12 percent were using Valium, Librium daily; 15 percent were using amphetamines daily; 14 percent were using tranquilizers daily; 8 percent were using cocaine; and 32 percent were using alcohol.

So from my statement of these percentages, it's very obvious that we are seeing a substance abuse, be it alcohol with the drugs.

Senator DECONCINI. How many were using marijuana, did you ask them?

Ms. CARHART. No, I didn't.

Senator DECONCINI. Did you ask them if they had used marijuana early in their life?

Ms. CARHART. Yes, they all had.

Senator DECONCINI. Did they all?

Ms. CARHART. Yes. There isn't anybody the comes into treatment that hasn't.

Senator DECONCINI. It's pretty standard?

Ms. CARHART. Yes.

From the same research, family-related problems came up from the clients' point of view—54 percent of them had family-related problems. Fifty-four percent of them have financial problems. Fifty-four percent felt they had psychological problems.

What I also did today was bring three clients, representatives of the Arizona Family, so that you could hear from persons who are now in treatment on what their view of what is happening.

Senator DECONCINI. Good. Thank you very much.

Yes, sir. Your name?

STATEMENT OF OTIS, DRUG CLIENT, ARIZONA FAMILY

OTIS. My name is Otis, and I am a drug client at the New Arizona Family. What I want to say here, and just speak to you all about, is mostly things about myself; what I have went through in using drugs, which I have been using since 1953.

At the time, when I started using them, I guess it was just the environment, living, you know, around the ghetto and just seeing other people, what they were doing and the way they were making their money and stuff. And they suggested—the way that I guess I started using and I caught on to what was going on, it looked like after a while it was just too late for me to try to really do anything for myself. And I just got out then in the flow of traffic and didn't really know how to get off. I guess I can say it took me six trips down to prison, which came to 21 years that I have put in there now. The way I see this is being in prison all of this time, it really didn't do anything for me.

Because like Linda said, down in Florence State Prison, I have seen more drugs there than they have out here on the streets.

I have seen so much drugs in Florence, that it just had accumulated all of the money that was in circulation in the yard; that means cash money, cigarettes, that is like money there, that it was just dry there. That is how drugs was so plentiful there.

I don't know what really started me, you know, I can't really say. I don't know. I guess it was boredom, loneliness, you know, no one to care. And it was just, you know, rough for me all the way. When I got out there using these drugs, it was hard for me to accept, because the way it started, it just started out as people giving them to me until you know, they seen I got addicted to it, and then I seen I had to start trying to support my habit. I guess it just about covered doing everything that was negative, you know, to get money to support it.

Senator DeConcini. How much did it cost you, Otis?

Otis. Well, when I started shooting drugs in 1953——

Senator DeConcini. A day.

Otis. Dope was selling for $5 for what you call a No. 5 cap. That is what they were selling then. It was Mexican brown out of Nogales, and it was selling for $5 a cap. At that time I wasn't spending nothing but about maybe $20 a day, because the heroin we had out on the streets then, I'd say was about 10, 15 percent pure. That's how good it was then.

I have seen the changes from that time up to now. I have been at the Arizona Family here for 6 months next month, and I left the street in November. Before I left, I just seen how bad the drugs out there was getting.

Because myself, I have never used barbiturates. I have never used marijuana. I just started at 17, I started right on heroin. I have seen the dope go from what it was when I started to what it is now, and it's got so bad that I myself turned to using cocaine. And this is what I was using when I came to the Family.

The reason I say the dope was so bad, because the way that I was involved in it, if it was any kind of decent heroin around the Phoenix metropolitan area, I just about knew how to find it or get to it, you know, because this is all I have ever done.

I have been different places, you know, looking into this, and it's just not like it was, you know. And like, I have been hearing them speak here today. I guess it's about shut down pretty good now.

Senator DeConcini. So what would it cost you before you went to the Family to satisfy your habit in cocaine or heroin?

Otis. Yes, well, with the heroin, I mean I was spending something like from $100, $150, $200 a day.

Senator DeConcini. A day?

Otis. And I was, I can say I was dealing, you know, which I was just carrying a bag, the bag. What we call the bag. And the drugs are so bad, I could sit down and just do myself three or four $25 balloons, and an hour later I would go back and do the same thing. That's how bad the drugs is out there. It's nothing, you know, but sugar. That's all it is.

Now, it might seem strange and sound funny, you know, coming from me after all of this time, but in a way I am glad to see that this can happen, you know, because it's been shut down in the way it has. Because it really has just took, you know, most of the best part of my life. Like I said, now that I am at the Family, I have been there almost 6 months and I have gotten more out of the Family in these 6 months than I have, you know, going backwards and forwards to prison. And this here was continuously. You know, I started in 1957. The last time I was there in—I got out in 1976, and that was the last time. This was just continuously every year, you know. I never was on the street. I would come out, but I never was out a year. You know, it was just a continuing thing with me. For a while I thought I was, you know, a chronic or something or institutionalized, you know. This is the way I was beginning to think.

And right now, like I was fixing to say since I have been at the Family, I am altogether a different person. I have kind of gotten in touch with Otis. I have gotten in touch with my feelings.

You know, I just, I am just a totally different person now. Just took me all of this time to find it out. But all I can say, when you are dealing in drugs and get off into it, it's a pretty rough thing to have to try to handle.

Senator DeConcini. Thank you. Thank you, Otis. Thank you very much for your testimony and your willingness to come forward and tell us how it is in the real world. I think that's very helpful, and I compliment you for your courage, and I wish you every success. I am sure you are going to succeed because you know what you are and who you are and what you are going to do, and you have already proven that you are well on your way. I am very proud of you.

STATEMENT OF ROBIN

Robin. My name is Robin, and I have lived here in Scottsdale for about 25 years; been involved in drugs since I was about age 14. I have only been in hard drugs for about the last 4 years. My abuse of hard drugs began with brown heroin about 4 years ago and went on for about a year. I was working during that period of time and trying to support a habit.

At that time the brown heroin began to decrease in quality and quantity. At that time I turned to prescription drugs. The main drug I turned to was Dilaudid. I was going to doctors at the time obtaining this drug. In 1 year, I counted prescription bottles that I had gotten from doctors, and at that time Dilaudid were selling for $40 apiece, and they were between $30 and $40 apiece. And in the 8-month period of time I counted the bottles that I had, and I had about $170,000 worth of prescription drugs that I used in an 8-month period of time.

Senator DeConcini. How did you get those?

Robin. Doctors.

Senator DeConcini. Doctors?

Robin. Going to doctors under fraudulent means, telling them that I had ailments that I didn't have.

Senator DeConcini. They were relatively easy to secure?

Robin. Yes, it was very easy at the time.

Senator DeConcini. As long as you paid the fee, right?

Robin. Right.

Well, the doctor that I was obtaining most of my drugs from is now out of business, had his license revoked. But at that time, it was very easy. I had probably six different doctors that I was going to. I obtained anywhere between 250 to 300 pills a week.

Other ways that I supported my habit outside of scripts was, well, I was writing bad scripts at the time. I was involved in a few drugstore robberies for Dilaudid and other, Quaalude, whatever else could be obtained. If I wasn't involved in that, I was stealing construction equipment and selling it to support a habit. But mainly making doctors at that time.

At the time, I also had a couple of cancer patients who get Dilaudid very easily and was obtaining from them for a cheap price and and turning them over on the street to pay my rent, and whatever, and using them at the same time.

I wrote about 2 months—I wrote about $3,500 worth of hot checks; sold everything that I owned that was of any value, along with a few of my parents' things, whatever else I could get my hands on. I really didn't get into the behavioral, criminal behavior until I started using drugs. I led a pretty clean life up until then. I was married, owned a home, owned a couple of new cars, was divorced, and from then on out it was a downhill run.

I have been at the Family 2 weeks. I have been off the street for just a short period of time. My feeling on the street drugs right now is that it's increasing. It is going up.

Senator DeConcini. It's easier, more available?

Robin. I believe so. I think there is a decrease in prescription drugs. I think since this doctor has been arrested in Scottsdale, there has been a pretty big stink over it. I think the pharmacy board has cracked down a few of the doctors, and I think that prescription drugs are harder to obtain. But I think at the same time the white heroin, and also this rare opium that was mentioned earlier, is on the increase. It does scare me. Like I said, I have been in treatment 2 weeks.

Senator DeConcini. Do you mind me asking you a question?

LAW ENFORCEMENT AS A DETERRENT

Robin. Not at all.

Senator DeConcini. Otis, maybe you can respond to this. I think I know your answer. Do you think law enforcement is any deterrent once you get hooked on any of these drugs?

Otis. No, I don't.

Senator DeConcini. It doesn't make too much difference to you?

Otis. No. I don't think you have much of a choice, to be honest, once that monkey on your back becomes a gorilla.

Senator DeConcini. All over, huh?

Thank you. Go ahead.

Robin. As far as my personal views, I think there is something that has to be done, and I think it has to be done soon.

Senator DeConcini. What do you think has to be done?

Robin. I really don't know the answer. As far as drug abuse, as far as the law enforcement end of it, I don't know the answer. As far as my personal views on it, rather than locking people up in jails and prisons, like Otis said, there are more drugs in prisons now than there are on the streets. The quality is better and the quantity is more.

I think there needs to be more funding for programs such as I am in right now. I think people need to be treated—I think drug abuse is an illness, not something to jail someone over. I think they need to be treated.

Senator DeConcini. What about those who sell it, do you feel the same way about them, the ones that you bought it from, Otis, or you, Robin, or Linda, or anyone else?

Were they also addicts?

Robin. Most of the people who dealt with——

Senator DeConcini. Was it always addicts that you bought it from?

Robin. Yes.

Senator DeConcini. Except the doctors?

Robin. Except the doctors.

Senator DeConcini. The buinessman pusher type that is not on it?

Robin. Not at a street level, no.

Otis. Well, all of them that I have ever come in contact with, they weren't using.

Senator DeConcini. They weren't using it?

Otis. No, they wasn't. I guess that's the reason it was so hard with me, you know, being connected up with them like that. And they checked on it, they had bank accounts and stuff.

Robin. In my case, my main source of income was selling drugs. I wasn't into, you know, when times got tough, then I stole things, wrote hot checks, whatever. But most of my source of income was from selling drugs, be it Dilaudid, heroin, whatever. But I was hooked up at the same time.

Senator DeConcini. Do you mind me asking you a personal question on drug use? When you are clean, or whatever the term is, is the desire still there as it is with alcoholics?

Ms. Carhart. From time to time; yes.

Senator DeConcini. Not all the time?

Ms. Carhart. Not all the time. I think what Robin was saying, too, is that it took us, took something like a divorce that he did not have the coping skills mentally and emotionally to deal with, that he just did a nose dive. He fell and just lost everything in what seems to us to be overnight.

It's like the fight uphill is so hard, but yet minor things in life can take place that can trigger a person to lose everything practically overnight.

I have one other person that I would like to introduce who is Eric.

STATEMENT OF ERIC AUGUST

Eric. My name is Eric August. My background is a little varied from the people that just spoke, and I would like to bring it to the floor so that maybe perhaps you have a little more understanding about the scope of drug abuse, smuggling, and its pervasive use in our society today.

I have a master's degree in business administration. I have a bachelor of science degree in aeronautical engineering, and my minor is in psychology. I was pilot in the Marine Corps for 6½ years. I used to smuggle drugs by using airplanes, and I used to be a heroin addict. To look at me, you would probably think no, that doesn't seem exactly correct. OK. I don't appear to be that image. But it goes to show you how close it is to just exactly your own backyard.

I did not get a chance to hear all of the information that was expressed earlier today by the law enforcement agencies, but I am sure that the marching orders, and probably the reasons you are probing into this are to stop, if we look at the map, the influx of drugs into this country.

I have been to the Arizona Family. I have gone to that treatment program. I did not continue it. I unfortunately went to prison.

When the gentleman said earlier about drugs being available in prison, they are as widespread as you have money to buy it. There is white heroin in prison. I did not leave the penitentiary that long ago where I can't say for a fact there is white heroin in the Arizona State Prison system. That means that it's coming from Afghanistan, Iran, Turkey; it's coming back into the United States.

My chief exposure to the smuggling end wasn't—I had never been around drugs in my entire life until I was 28 years old. The expression, "I used to be so striaght I squeaked when I walked," was very true. I never smoked any marihuana.

A business failure that was caused by a robbery and the financial ruin and loss of everything that I had accrued, and my family up to that point, led me to make an irrational, but what I thought was an intelligent decision to use my skills as a highly trained ex-military pilot to make some extra money. That brought me in contact.

As soon as you step outside of that accepted circle of what society calls good practices, or what we accept as normal activity, it puts you in contact with a number of people that caveat emptor is the byword.

You have organized crime families in the United States up there on the board. I know several that are right here in Arizona, and there is no arrows pointing to the State of Arizona. The people that I was working with, I am not——

Senator DECONCINI. Why do you think that is? Do you have any ideas?

ERIC. Be more specific.

Senator DECONCINI. Why law enforcement does not have any arrows on Arizona?

ERIC. Maybe in the process you have narrowed it down to Arizona, and talking about that without talking about the whole country, or maybe we are just not talking about it for the obvious place of where it's being held.

Senator DECONCINI. Go ahead.

FLYING DRUGS INTO THE UNITED STATES

Eric. In my particular case, I know for a fact—and I am not at liberty to mention any names—but I know that there are certain drug enforcement administrators, officials that I was apprehended by that questioned me extensively about the organization in which I worked, that they have been trying to bust those people, that firm that has been in business for 14 years and have been unable to do so. If I were so inclined, which I am not, and I will make that quite clear. I am not inclined. I could bring 100 pounds of heroin across the border tomorrow and the Customs, DEA, or any of your organizaitons would never catch me. And it would all be on a legal flight plan, flying a civilian airplane anywhere in the United States.

It is coming into this country. Why am I saying that? It sounds sensational. It sounds like I am trying to shock you. Because I don't believe drug enforcement, as far as a crime and drugs is concerned is a place to begin. You are not going to stop the drugs from coming into this country. It will not happen unless you have a man with a gun standing on every single inch of the border of the United States of America. Even then it will be easy to fly over them.

SOLUTION TO DRUG GLUT

The place to start, as far as I am concerned, having been in a therapeutic community and feeling as though the information I received there and the background that I had prior to that helped me overcome this problem, is in the youth of America today. Pass legislation somehow through the Congress of the United States to make a program go through as many administrations as it takes to tell the young people just exactly what it is that they are up against. You know, Khrushchev said it in 1959, "We will bury you and never fire a shot." It just seems awfully strange to me that all of a sudden there is a lot of white heroin coming in from the fields of poppy in Afghanistan which all of a sudden has been taken over by the Russians.

The only way that we are going to be able to defeat this problem is in informing the people what it is like.

Now in the early seventies, I never associated with drugs whatsoever. But I know that I saw several signs that said, "Speed kills." Well, that's obvious to the observer that speed kills, but that's not what they were talking about. They were talking about the drug speed. And it wasn't too long after that that people stopped using speed. It worked. It worked because of the ones that are determined—the expression is hope to die—the ones that wanted to kill themselves, they are going to do it anyway. But the ones that don't really know the difference in making the decision, the younger kids in grade schools and high schools getting handed marihuana—and you can buy it on any street corner—that happens to be peppered with opium, or heroin, or PCP; they don't know what they are getting into. If you tell them what they are getting into, and they understand it, then you can smuggle 200 million tons of whatever drug you want into this country and if there is not a market, you can't sell it. That solves the problem.

Now obviously all of the people in this room have something to do with law enforcement. There is a need for that, but I am just wondering, this is my own opinion, if maybe perhaps those funds were to be matched in information to the youth of America just exactly what it is that's being done, then maybe the problem would take care of itself.

MATCHING FUNDS FOR DRUG USE TREATMENT

Senator **DeConcini**. You mentioned matching, at the end of your statement, of funds. Now the first part you mentioned that you didn't think the law enforcement did anything that was worthwhile, or that you could fly a ton in anytime. But don't you think the law enforcement does have some deterrent effect once you are not on it anymore? Aren't you concerned about getting caught if you decided that you wanted to make some easy money and fly something in, wouldn't that be part of your judgment now of not to do it?

Eric. It is a judgmental call, definitely; yes.

Senator **DeConcini**. Whereas if the border were just open, there were no law enforcement along the border, wouldn't that be an easier judgment for someone to make?

Eric. Perhaps. But let's look at all the realistic things. Sitting to the right of me is a gentleman who spent 20 years in prison, every single one of those drug related. Then maybe the first time would be enough, correct? You know, you talk about extending the prison term. Well, I just came out of prison, and I am sure that my statistics are not correct, but they are based on my own judgment, upward of 90 percent of the people in the penitentiary that I was in, are there directly or indirectly as a result of drug use, abuse, sale, or possession.

Senator **DeConcini**. You don't think there is any value in the punitive portion of the criminal justice system, whether it's drugs, or violent crime?

Eric. I think definitely it has a place, sir. There is no doubt in my mind that, you know, if we are looking at it from a puritanical standpoint, it has its place in our society. Yet at the same time, too, the informational standpoint is being ignored.

Senator **DeConcini**. I agree with you.

Eric. It is being ignored by the fact that it's not only being not listened to, but it's not being done. And we both know that the tax dollar is going to make the difference as to whether we are going to be able to curb this problem or are we going to be able to nip it in the bud. Are we going to wait until we get in the next 10 years down the road and see a problem of such imensity that the youth of America is burned out on drugs? You know, how many times was the same thing said back in the late sixties? Here we are in the eighties and we still don't have any more of a grasp on it than we did then.

Senator **DeConcini**. I have no further questions. I thank you very much, all of you, for your willingness to come and testify. It's very helpful to me and I know it will be to the other members of the committee as they read the transcript and the report we have today.

I am most impressed with the program, Linda, and I am most impressed with the clients that you have here. I imagine these are just a few of the people that you have and are trying to work with, and them trying to work with themselves. We certainly wish them well, and I think you make a very good case for the public information and the individual treatment that is necessary if we are going to have some effect in the long range. Thank you.

Our last witness is John Molittieri, a Federal agent in the drug enforcement area.

Mr. Molittierri, we are very pleased to have you here. We know you have had to wait for some time, and we all apologize for that.

STATEMENT OF JOHN MOLITTIERI, FEDERAL AGENT, DRUG ENFORCEMENT

Mr. Molittieri. That's quite all right, Senator. I am used to waiting. I have been in the Government about 38 years now.

Senator DeConcini. Yes. I have only been in a few years, and I am tired of waiting too, believe me.

SUMMARY STATEMENT

Mr. Molittieri. I just want to say, before I start, that I enjoyed the testimony of that exmarine. Back in 1951 I made that suggestion to a man named Anslinger who was then Director of the Federal Bureau of Narcotics. At that time they didn't agree with that suggestion. They thought that by putting it in the schools and giving students that kind of information would perhaps foster more addiction.

Anyway, my name is John Molittieri. I am a resident agent here in Phoenix, Ariz., for the U.S. Customs Service. I have been in Government some 37 or 38 years. To give you a little background, I started out in 1942 at the U.S. Navy. In 1948, I was with the U.S. Coast Guard when it was part of Treasury. During that tenure, for approximately 10 years, I was an intelligence agent in the Treasury Department, Coast Guard Intelligence. I attended the Treasury Law Enforcement Academy in 1951.

I got out of the military in 1964. I was a customs patrol officer in San Francisco, and I worked the waterfront. I later became the special agent in customs. I was later on promoted and assigned to the office at the U.S. Embassy in Rome, Italy for the sole purpose of narcotics problems that we were facing in those years. That was approximately 1970.

I spent approximately 4 years in Italy. During that time and previous to that time in San Francisco, I investigated many narcotics cases, mainly undercover. I was very fortunate in Italy to perhaps make one of the biggest undercover heroin cases that was ever made in Italy against two real organized crime people in Sicily.

I then came back from Rome, and I was transferred to Drug Enforcement Administration, and assigned to the Bureau in headquarters.

In 1974 I chose to return to the United States Customs Service. I was assigned in their headquarters for about 3 years.

I then was assigned as an adviser to the Thai Government in Thailand, representing the State Department on all narcotics matters in Thailand as an adviser to the Thai Government; namely, the Thai customs. That assignment didn't last too long, approximately 6 months. I was responsible during that time for the training, the equipment used in the narcotics interdiction program over there, and maintenance of equipment that the United States Government was giving the Thai Government, which amounted to a lot of money.

I then returned to the United States and was assigned to Phoenix, Ariz., as a resident agent. Briefly, that's my background. If I can help you in any way, I want you people to know that my loyalties are to the country first, to the agency and department second.

I understand there was quite a lot of difficulty in getting me here.

Senator DECONCINI. Well, Mr. Molittieri, indeed there was. I am glad you are here. And Mr. Chasen did agree that we did not have to issue a subpena for your appearance, although we were prepared to do so, and I have one in my briefcase in case we did have to use it. But Mr. Chasen was more than cooperative in it, after we had several discussions.

I appreciate your being here. I know it's a struggle for you, but I think if individuals within the Government are not willing to come forward and to constructively explain the problems within their own Government, we are kidding ourselves.

We all see abuses in our Government and our own lives, in business and what have you. I think the worst thing that any of us can do is to hide behind the protectiveness that we all want.

CONDITIONS OF APPEARING

I suspect that you have been under a great deal of pressure. I will ask you, for the record, if you have been cautioned not to speak today; if you have been cautioned on what you should say?

Mr. MOLITTIERI. I can only tell you that my instructions were from Washington that I could appear before this committee with the stipulation that I was not speaking for the U.S. Customs Service with regard to its policies. That didn't bother me at all, Senator, because the last several years I don't know what the hell its policies are or its priorities. We change as often as we change our socks.

Senator DECONCINI. Have you been, as recently as today, cautioned that the Director or the Commissioner would be telephoned as to what you had to say here today, and that Mr. Bensinger would be immediately advised of what you had to say here today?

Mr. MOLITTIERI. No one has told me that. But I wouldn't be surprised that they are all standing by the telephones in Washington.

Senator DECONCINI. Well, I admire you that you are at least willing to say what you feel like saying, and please proceed.

Mr. MOLITTIERI. Well, the reason I feel that way, Senator, let me clarify something. I fought in three wars. I paid my dues.

Senator DECONCINI. Indeed you have.

EFFECTIVENESS OF CONGRESS

Mr. MOLITTIERI. I think that when people are programed, especially before committees trying to do something, and I have been around so long, Senator, and I have watched committees and committees. I have got to tell you, and be very honest with you, that I don't believe anything is going to come out of this committee.

Senator DECONCINI. That very well may be the case.

Mr. MOLITTIERI. Because I have watched other committees, but I still believe in, I guess I am naive enough to believe, I hold a shred of hope, let's put it that way; I believe in the leprechaun, I guess. But I couldn't sleep well if I didn't come here and tell you. And if I can help you and tell you the truth. So, fire away. And believe me when I tell you I will be honest, truthful, and if I don't know, you will get that kind of answer.

Senator DECONCINI. Let me ask a question. Your experience of talking about congressional committees and your observation that probably nothing will come of this, may be right. I would like to see something come of it. Maybe I am predisappointed, but maybe something will come of it. But why do you think nothing will come of it, because everybody is too geared up for the congressional committee that they don't really get what is going on, on whatever they are investigating?

Mr. MOLITTIERI. I don't really know, Senator. I think it's like the old politician in the smoke-filled room, something happens behind closed doors. Everything goes along well, and it seems like the Senate and the Congress are very interested, and they seem to make an honest approach to the matter, and then all of a sudden it fizzles out; they write their reports. This has been going on for years, not only in the Senate, the Congress, it happens in Government agencies. We have had study after study. We have spent thousands of dollars on studies, studying reorganization of the last 3 years. We have had nothing but studies.

DEA REORGANIZATION

Senator DECONCINI. What do you think of the 1973 reorganization of the DEA, that gave the total authority for drug enforcement? What is your reaction to that or the success of that effort?

Mr. MOLITTIERI. Well, I have got to admit that I got caught up in that thing. I was in customs, and I got transferred over to DEA. I didn't fight that at all. To be very honest with you, I really believed in it at the time. I was in DEA, and I was in DEA headquarters, like I stated earlier. But I left DEA headquarters because I didn't think the ship was going to float.

Let me make one thing very clear—and I think you realize this. You are an attorney here, a prosecutor, and I think you realize that the frontline troops, namely the police officer, the street agent, if you will, is a very, very conscientious person, and they still are. I have listened to some testimony here. Some of the stuff I have listened to, it's programed stuff and I know what they are saying, and you can't blame them. You can't blame them because of the system we operate under. You know that. I am not telling you anything new. The guy becomes an economic coward. He has got to work. He has got to make a living. He has got to feed a family. And he cannot come up here and be perfectly honest with you.

Senator DECONCINI. Were you here when Sergeant Wolf testified?

Mr. MOLITTIERI. No, I wasn't.

COOPERATION AMONG LAW ENFORCEMENT ENTITIES

Senator DECONCINI. He was from the Tucson Police Department, and he said there is not a great deal of cooperation between local law enforcement agencies and the DEA or customs. He said that's just a lot of rhetoric you are hearing.

On the other hand, we heard from half a dozen other people, including DEA representatives and customs that oh boy, things are just rolling along just great.

What is your observation from the standpoint of what you feel—with regard to those statements.

Mr. MOLITTIERI. You know, cooperation really has always been, you know, in this business, you know it's a funny thing. I am a customs agent. I am responsible by law to handle all smuggling matters, investigate all smuggling matters. And even prior to 1973 when we were charged with even the narcotics smuggling. I could investigate a bicycle smuggler and nobody would pay attention; nobody would be interested. Nobody would steal the case from me. But the minute I mentioned I was working a narcotics case, I had everybody interested in that, everybody trying to steal the case. Do you understand?

Senator DECONCINI. Even if it was in the tires of the bicycle?

Mr. MOLITTIERI. It didn't make any difference. If you mentioned narcotics, it seems there is some sort of attraction for narcotics smuggling.

But I want to make one thing clear that I know personally so many drug enforcement agents, those who are ex-customs agents, those who were ex-Federal Bureau of Narcotics agents, and I can't begin to tell you somehow people found out that I was going to appear before you. I must have some hell of a reputation, because they are calling me in my office and saying tell it like it is, Johnny.

What I want to say is that cooperation will never, never, never, never, never be 100 percent as long as we operate under the system that we operate under.

If you can say, for example, Joe Arpaio and I are friends for the last 20 or 25 years. We cooperate. Do you understand? We cooperate. I can't say that was true for the former DEA guy that was here. But with Joe, we cooperate. But there are limitations placed on me as well as him on how far we can cooperate.

For example, if I were to go out here as a customs agent and put one of my men on a narcotics investigation without informing Joe, he would be upset, and rightfully so. I listened to some of the customs testimony, and it's still puzzling me. You see Reorganization Plan No. 2 is law by executive order. If you read that very carefully it says that Drug Enforcement Administration is the sole agency responsible for all intelligence gathering and all investigation, foreign and domestic, of all narcotics matters for the Federal

Government. Do you know what that means? That means that no other Federal agent, customs or otherwise, mainly customs, can go out and gather than kind of intelligence. It's not my priorities, it is their priority.

Senator DECONCINI. Well, you are barred from doing it.

Mr. MOLITTIERI. That's right, by law.

Then how, how does part of customs, who are very conscientious on patrol—I am mainly talking about customs patrol, and God knows that's the only arm we have got left in customs that is really out there trying to do a number on narcotics, believe me, but I wonder how in customs we have these various policies that I can't do it, but a patrol officer can.

Now when you talked a little while ago to the patrol officer you said, and he said that once he sees the narcotics, he does participate in the convoy that goes from Nogales to Omaha, Nebr., and that is investigations. We are forbidden to do that. We can't even gather intelligence on it. Now how does that—how do you run an agency like that?

Senator DECONCINI. Well, you are coming back to my first question, Mr. Molittieri, and that is this Reorganization Plan No. 2 is not working well in your judgment. And that is where the breakdown of cooperation is within the system; is that fair to say?

Mr. MOLITTIERI. That's right.

I have another sore point by the way, when I was in customs headquarters. As you all know, I think you remember the Budget Committee——

Senator DECONCINI. No.

Mr. MOLITTIERI. Appropriations. Well, we are all concerned with that, and that's why we give the Appropriations, or the Budget Committee certain statistics. We like to know what you like to hear so we get our money.

It concerned me when I was in customs headquarters that DEA finally got what they wanted. They got all of narcotics investigations, and all intelligence gathering. So they got the whole ball game. But, they are using, out of our budget manpower and equipment, the patrol. It comes out of our budget. I am not using them. I am the customs agent in charge here. I am not using them. DEA is using them, at no cost to that agency. Well, I don't think that is fair. I think that they ought to pay their bill at the end of the year for the cost of our people and our equipment.

REORGANIZATIONS EFFECT

Senator DECONCINI. Well, then is it your best judgment that if DEA or anyone is going to have the sole responsibility for drug intelligence enforcement, that they ought to have all of it?

Mr. MOLITTIERI. Well, I guess I must say that if they are going to carry the load for the Federal Government—I don't agree with them having it all.

Senator DECONCINI. Yes. I understand.

Mr. MOLITTIERI. But if we are going to go down that road, if that is the road we are heading, yes. You see, in my opinion, it was a mistake back when it was called the Federal Bureau of Narcotics, when they only had 250 agents. Customs, at that time—I am going back a number of years—was responsible for a lot of that narcotics international traffic, smuggling. You see, everybody wants that foot and a half of turf down at the border. God, I never saw so many people that wanted that piece of land they call customs territory.

But at that time, it would have been very easy to have taken 250 men and put them in customs.

Senator DeConcini. Yes.

Mr. Molittieri. After all, we have the smuggling, we had the foreign, we had the domestic, we are after smuggling. And that's where it's at, you know. I hear stories about purity, less purity. Well, certainly there is less purity. A drug dollar doesn't give you—the purest stuff you are going to find is in that customs territory.

Senator DeConcini. Before it's stepped on?

Mr. Molittieri. That's right.

Now if you want to talk about purity, we will talk about where is it most pure. It's most pure at that point. Once it leaves that point, it becomes diluted.

Senator DeConcini. Let me go back to the Executive Order No. 2. You know a heck of a lot more about this than I will ever know. In retrospect, why was that done? It seems to me that customs was doing as good as DEA; and no criticism of DEA. But why was that done?

Mr. Molittieri. Do you want my opinion?

Senator DeConcini. Yes, sir.

Mr. Molittieri. My opinion was there has been, for a number of years and will continue to be, people in Washington who would like to see all criminal law enforcement in one department, namely the Justice Department, and that Treasury remain strictly a revenue-collecting agency.

If you look at the record, go back a number of years, you know, slowly but surely Treasury has been getting slowly, they are pulling out more and more people out of Treasury to do these criminal investigations. Like Coast Guard went under Justice—I mean under Transportation.

Senator DeConcini. Transportation, right.

Mr. Molittieri. FBI went under Justice, and there has been talk for a number of years that ATF will wind up somewhere in Justice. And you know, this kind of talk. My personal opinion is that there was a political power play.

You have got to remember that they can say what they want about President Nixon, Watergate and all of that, but with regard to law enforcement, Federal law enforcement and especially narcotics enforcement, it was President Nixon that came out to the forefront. It was President Nixon who came out and really demanded that we Federal agents go out and do a job in narcotics. It was during those years, the late sixties and seventies when he did that that we really went out and worked, I mean worked hard.

Now with regard to the last 3½ years, let's take it back to 3½ years, there has been no—I hate to rap President Carter, but he hasn't come out for real hard-core investigations, especially narcotics.

And I told a group of Justice Department officials in Washington not too long ago, it was in my office and they were asking me what is wrong. Well, have the President come out forcibly, you see, and make sure that it gets done.

Senator DECONCINI. There has been no national directive from the President or from the White House, is that what you are saying?

Mr. MOLITTIERI. Or from the White House.

Senator DECONCINI. There hasn't been any since the 1970's?

Mr. MOLITTIERI. Since Nixon, since President Nixon.

Senator DECONCINI. Prior to Watergate?

Mr. MOLITTIERI. Prior to Watergate. And then Watergate, it fell apart.

Senator DECONCINI. Prior to that, was there any effort, you have been around long enough, was there any effort under previous administrations, or the Kennedy administration or the Johnson administration?

Mr. MOLITTIERI. Well, under the Kennedy administration, I happened to be in Washington at the time. Bobby Kennedy was the most forceful Attorney General that I have ever seen.

Senator DECONCINI. On drugs?

Mr. MOLITTIERI. On organized crime.

Senator DECONCINI. Including the drug related crime?

Mr. MOLITTIERI. Everything. The most forceful.

Senator DECONCINI. In your opinion have we seen anything compared to that?

Mr. MOLITTIERI. Nothing compared to that Attorney General.

EFFECT OF CHANGING POLICY ON FIELD

Senator DECONCINI. You make some reference regarding the policies changing constantly within that customs service. Can you give us some examples of how that affects your operations here and the men and women that are under your direction?

Mr. MOLITTIERI. Well, the same problem I have, I think DEA has with regard to morale, because it becomes—the morale problem of it becomes, whenever you change policy, whenever you change priorities, or you add priorities, or you take priorities off, or whatever you do with priorities, you know, it becomes a policy. So that today an agent, I really feel sorry for a street agent today. He is confused.

For example, to give you an example, we in customs, when we lost narcotics, went to currency. The currency law also needs some strengthening. Remember, customs agents can only search people coming into the country. Well, they don't come into the country with money, They take money out to buy dope. OK. So we need some changes in that law where we could, without getting a search warrant, search people leaving the country, especially if we have reliable information. With the law that we have now, I must admit that some customs agents have done an exceptional job. It could be better. But that law needs to be looked at.

Getting back to your questions, policy, priorities, it's always been DEA's priority to go after drugs, namely heroin.

Senator DECONCINI. On the street level?

Mr. MOLITTIERI. On any level, really.

You take a narcotic agent, and regardless of whether it's on the street domestically, or it's coming in wherever, you tell him that there is a pound of heroin coming in, I guarantee you will have 50 of those guys in cars working day and night trying to get that pound of heroin no matter where it is, guaranteed. But their policy is now changing to currency. It looks like we are going to be on a head-on collision again, doesn't it?

It used to be when we had customs and BNDD we were arguing over the junk. And we didn't have the junk in customs, so we went to money. And now DEA is going after money. So now, is he going to cooperate with me and tell me the money deal? No. No, he would be a damn fool. He gets his promotions, awards, everything is based on who he arrests and what seizures he makes. He would be a damn fool to tell me. I wouldn't expect him to even though I would like it. If he is going to go after that money and I am going after that money, can you expect total cooperation?

STATISTICS GAME

Senator DECONCINI. Do you think that's another effort of extracting customs from Treasury?

Mr. MOLITTIERI. I don't know that it's that effort. What I really think it is, personally, is—again, I am speaking personally.

Senator DECONCINI. I understand.

Mr. MOLITTIERI. I think it's an effort to please the Congress of the United States, to show them that they are self-sufficient, that they can seize money. You know, we do that all the time in customs. Anytime you ask about, you know, did we pay our own salaries, I can answer that certainly. For every dollar we take in, we only spend 7 cents. That makes you happy, doesn't it?

Senator DECONCINI. No, it doesn't make me happy.

Mr. MOLITTIERI. It makes a lot of Senators happy.

Senator DECONCINI. I think we spend too darn much time on that aspect.

Mr. MOLITTIERI. Well, you can't get mad at customs for that because we are only one of five agencies that makes money. FBI doesn't make money, DEA doesn't make money.

We are like in business for you, putting it in the Treasury. Other people are taking it out.

Senator DECONCINI. Yes, I understand that, Mr. Molittieri. To me it's a game that is played. We are demanding that you play it.

Mr. MOLITTIERI. Yes, you demand it. You are absolutely right. You are demanding this certain game.

If you go back, if you go back to the history of law enforcement—if you are going to give me some money to run my agency, you are going to base it on my statistics and the statistics are going to show me who you arrested and what you seized, and how much money did you make for us; isn't that right?

Senator DECONCINI. Oh, I think that is traditionally what has happened, yes. It does appear to me, in a slight defense of DEA, that they are moving away from as many street busts as they used to have to quote larger cases, and I think that's good.

Mr. MOLITTIERI. Yes, that's where it should be.

Senator DECONCINI. Yes.

Mr. Molittieri. Federal efforts should have never been on the street.

Senator DeConcini. That's where I want to get to with you.

Mr. Molittieri. OK. But getting back to this budget, because it's very important and it will show you what—you see, when I arrest a person, I have always felt when I arrest somebody, I have failed. I have failed. I have failed to prevent. There is not a great deal of importance given to prevention, just like that young Marine talked about. You know, that's a preventive measure. He was talking about starting early in life with children; prevention. We only get our budget based on our arrests and seizures, and things like that. But really, what are we doing?

It's like the police officer on the street who, the woman says, "This guy is going to attack me."

He says, "Well, did he attact you?"

"No."

"Well, I can't do anything."

He has got to wait until the woman is attacked. Isn't that right?

Senator DeConcini. Yes, that's correct.

Mr. Molittieri. We are into the same circumstances

APPROPPRIATE LEVEL OF FEDERAL EFFORT

Senator DeConcini. Going to the question of street busts, do you think that that is where the Federal effort or, let me say this, do you think too much Federal effort, whether it was under Customs prior to Executive Order 2 or now, is devoted toward street busts?

Mr. Molittieri. No, I don't.

Senator DeConcini. Do you think that more should be devoted toward it?

Mr. Molittieri. I think that I personally made some pretty big cases beginning on the street, which led into bigger and better things. Now, I certainly believe that you have got to have a little street action. If you are going to know what is happening in the business, you have got to be on the street. And by that, you have got to be able to get out there and investigate and pick up this intelligence, get informants, whatever you have to do. You have got to be on the street. You cannot make a narcotics case sitting in the office. The people don't just walk in and say, "Here I am. I am a smuggler." You know, you have got to get out there.

The problem we are having is I think that the Congress is attacking DEA, attacking all of these agencies, and they are confused. They want to make you happy. I think all of us want to make our bosses happy. And they become confused. "What the hell do they want to hear this week?" That is where we get this week-to-week policy business you see.

But the poor agent, I feel sorry for him because he doesn't know where the hell he stands.

Senator DeConcini. I do too.

STREET AGENT PERSPECTIVE

Mr. Molittieri. What does the boss want this week? Well, this week it's money; tomorrow it's heroin, nest week it is marihuana. Well where in the hell do we stand today?

Do you have any idea how many manuals we have got to ca around today, guidelines, and directives, and laws, and the Pri Act and Freedom of Information, and the guidelines from Cust and DEA; guidelines between ATF and Customs, guidelines this. Christ, by the time agents get reading those and filling the forms that he has to fill out and feeding computers in Wash ton with intelligence, which never seems to pay off, there is li slot machine you put money in it and nothing comes out. The is confused. It's hard for him to do a job.

Believe me when I tell you those agents are dedicated. I h been around 38 years and I have never seen more dedicated pe than I have seen in the Federal service, the Bureau of Narco and the custom agents. And I spent 22 years in the military. T were the most dedicated. And I fought in three wars, but I h never seen more dedicated civil servants than the narcotics ag and the custom agents, and today, the patrol agents. Becaus said before, they are the frontline troops. Even if they ar violation of reorganization plan No. 2. We need somebody out th

Senator DECONCINI. Were you here when the Phoenix P Department was on the panel here?

Mr. MOLITTIERI. No.

Senator DECONCINI. He showed us a little schematic that officer and two other guys had sat down and drawn up over a of coffee.

Mr. MOLITTIERI. No.

Senator DECONCINI. Let me hand this to you. Up where it State agencies, that's Tucson Police Department, Arizona D Control District.

Mr. MOLITTIERI. Could I interrupt you a minute? Arizona D Task Force.

UNIFIED FEDERAL INTELLIGENCE PROGRAM

Senator DECONCINI. Yes, Arizona Drug Control District, and Department of Public Safety.

Mr. MOLITTIERI. That's what we ought to have in the Fed Government right there. I wholeheartedly support, and in whoever started it—I think somebody said you did—but did something that I suggested years ago for the Federal Gov ment, a central agency that would gather all of this intellige And you don't need agents in there, you just need a good secu system. But we ought to have something like that in Fed Government whereby any Federal officer can, the minute he st a case, you see he sends a card in, or whatever, and that age feeds him back whether or not there is any information on suspect or group, you see. And he doesn't have to compromise other investigation. He just tells the guy there is an investiga being conducted right now. The duplication of money saved duplication of effort would be phenomenal you see.

Senator DECONCINI. Yes.

Mr. MOLITTIERI. And in addition, the agents could—then, if can get 1 percent cooperation between the agencies, OK? The a cies, not the agents; but the agencies, and you had a system that, then you could put two agents together from different agencies to work in the same group.

Senator DeConcini. Well, let's go to that subject for a minute. Isn't that what EPIC is supposed to have accomplished?

Mr. Molittieri. Well, it doesn't. It's a nice outfit, but it doesn't accomplish what I am saying. I don't know why. I haven't studied EPIC. All I know is I run an office with street agents. I am basically a street agent myself. I think mentally, and everything I do is directed at arrests, people who are violating the law. But I also have compassion for people who just testified. I understand entirely.

Senator DeConcini. I do too.

Mr. Molittieri. And I think they are absolutely right. But——

COORDINATED INVESTIGATION CONCEPT

Senator DeConcini. Let me refer this to you. This idea is that a commission, not by statutory authority, but a commission which would be composed of a representative of the five State agencies in Pima County and the two over here in Federal agencies would then coordinate each case that came along in the narcotics area. They would select, this time it would by hypothetically a DEA agent would be the unit commander. The next case down the road it would be the Department of Public Safety agent would be the unit commander. And that they would then work together because the boss up on top had decided that this commission was going to work that way, and his troops were going to work even if they were going to work with the State agencies.

What is your comment?

Mr. Molittieri. I wholeheartedly agree with the concept, and I will tell you why.

Senator DeConcini. Well, do you think it would work?

Mr. Molittieri. Yes, provided, provided you got people in Washington to insure that that happens.

Senator DeConcini. To insure that over here under the Federal, that it worked?

Mr. Molittieri. Right. It will never work unless you have got bosses saying this is the way you are going to do it.

Senator DeConcini. How do you get bosses that are going to do that?

WITHHOLDING INFORMATION TO MAKE A CASE

Mr. Molittieri. You pass a law.

Senator DeConcini. You pass a law?

Mr. Molittieri. Yes.

Senator DeConcini. Make it a violation of law if you don't do that?

Mr. Molittieri. That's right. That's the only way you are going to get it done. Because I have strongly believed, and it says that if you withhold information of a crime you see, basically that you can be arrested for that.

Senator DeConcini. Criminally?

Mr. Molittieri. Criminally, right. I think that anybody that carries a badge, whether he be local, State, Federal, or whomever, and he has information that narcotics—we will talk about narcotics—that narcotics is going to be smuggled into the United States. OK. At a certain point of entry, he withholds that information. Why? He withholds it to make a case.

Senator DeConcini. Sure.

Mr. Molittieri. Even if there is 10 pounds coming in, he wants to pick up 2 pounds. Do you get it?

Senator DeConcini. Sure.

Mr. Molittieri. But he is not going to tell Customs about it. Well, let me ask you, what would happen if there is a Federal law that required him to pass that intelligence or be arrested himself? Would he think twice before he withheld it?

Senator DeConcini. Sure he would.

Mr. Molittieri. That's what you are going to need.

Senator DeConcini. OK. Now your observation then, John, is that short of a law, we are just not going to make it?

Mr. Molittieri. No.

Senator DeConcini. Because even if the directors of all of these agencies keep telling all of us in Congress, "Boy, we are cooperating with each other"—and that's what we heard today, nothing will get done.

Mr. Molittieri. I wrote a lot of those fiction stories for you Senators. You are the easiest guys to fool.

Senator DeConcini. Yes, I believe it. I believe the day is coming when that will change.

Mr. Molittieri. I hope so.

Senator DeConcini. I hope so, too.

Mr. Molittieri. I am telling you the truth, I have got a shred of hope in you. I hope you don't disappoint me.

TELL US WHAT WE WANT TO HEAR

Senator DeConcini. Well, Mr. Molittieri, I have a shred of hope in Federal agents that you would come forward today. Because I know you are going to retire.

Mr. Molittieri. No, I didn't come forward because I am going to retire. I think my reputation will show that.

Senator DeConcini. I know that, too. Let me finish. I know that it also took a lot of courage. I know a few customs agents that work for you that happen to be friends of mine that you don't know, but I just happen to know from a few years back. I have talked to a few of them. I have never met you before, but they say that guy has got some courage. He will tell it like it is. Even if it falls on somebody's toes, even his own agency, so be it.

Mr. Molittieri. Isn't that something, when a person just wants to tell the truth and tell how he feels, he becomes a courageous person.

Senator DeConcini. Why have we become so protective? Why have we let ourselves be so buffaloed in Congress that we have just got to hear what we want to hear, and it's nice and sweet. Why do you think that is?

Mr. Molittieri. I don't know. But I know that they have made economic cowards out of most of us; economic cowards.

Senator DeConcini. Where is the courage from Congress? Why don't we have strong Congressmen and Senators to say hey, let's cut this out and pass a law?

Mr. MOLITTIERI. I sometimes think they are all in bed together, the bureaucrats and the Congress, you know. It's getting so that you can't tell the difference between a bureaucrat and the Congressmen. I don't know whether they drink together or what the hell they do together, but it's——

Senator DECONCINI. They sure don't work together.

Mr. MOLITTIERI. You know, you guys are up there to make sure that we do our jobs properly, and you pass certain laws to make sure it's done. You have got GAO now that is your investigative body. Hell, I read a report from GAO, several reports. Somebody bootlegged it to me about customs. Well, let me tell you, they were right on target.

Senator DECONCINI. Have you read this report?

Mr. MOLITTIERI. Which one is that?

Senator DECONCINI. It's a GAO report.

Mr. MOLITTIERI. GAO?

Senator DECONCINI. GAO report on the progress of "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes."

It says we have a little bit of success in Mexico. A lot of problems. Would you be kind enough to read it for me?

Mr. MOLITTIERI. I sure will. I read the ones on Customs, and they were right on target, although Customs said it wasn't true and all of that. I would like to meet the guy who did it, because he is a real thorough investigator. He really found out.

Senator DECONCINI. Now, it's up to us to do something.

Mr. MOLITTIERI. I don't think you are going to do anything with it, but you wasted a lot of GAO money if you don't.

Senator DECONCINI. Same with this. I would appreciate it if you would take a copy. I will personally give it to you in about 2 minutes.

I also want to thank you for your testimony today and your perseverance and willingness to testify today. I think it's a credit to you and a credit to customs, who have the kind of agents like yourself who are willing to do it.

Because like you say, it's a good chance nothing will come of it. This may be the thing for Dennis DeConcini to get a handle on. I am sure going to damn well try. But we are not going to let go.

Mr. MOLITTIERI. Promise me one thing, Senator, OK? And I won't feel that my testimony here today was wasted. Promise me that you won't give up.

Senator DECONCINI. I am not going to give up. I may not succeed, but I won't give up.

Mr. MOLITTIERI. That's all right. I haven't succeeded a lot of times but I won't give up.

CONCLUSION OF HEARINGS

Senator DECONCINI. That concludes our hearings.

The subcommittee wants to thank the reporter for her long hours today, and the staff, and the GAO for their expert assistance. Thank you.

That will conclude the hearings on drug enforcement.

[Whereupon, at 6:15 p.m., Monday, April 14, the hearings were concluded, and the subcommittee was recessed, to reconvene at the call of the Chair.]

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